

Legislative Report

CCI Meeting Reminder

June 8 – June 10

CCI Summer Conference

Eagle County, CO

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Urban Renewal Modifications

Last week, HB09-1327 *Urban Renewal Modifications* (Hullinghorst, Tochtrop), passed the House on a bipartisan 36-29 vote. CCI supports HB09-1327 as long-overdue reform to the current one-sided urban renewal statutes. CCI supports urban renewal authorities (URA) and tax increment financing (TIF) when used appropriately and as the original statutes intended - to remedy slum and blight in urban centers that are otherwise impossible to develop. To be sure, there have been good and appropriate uses of TIF, but over time the law has been abused and led to subsidized development of agricultural and open lands. The use of TIF by a URA is a one-sided event.

Local property-tax entities have no real say or seat at the table when municipalities are diverting the essential property tax revenues away from them for up

to 25 or more years. These are revenues that the entities use to provide essential services, some mandated by federal or state law and available to all residents. Importantly, school district losses are backfilled by the state, again, without any state voice or oversight. This backfill amounted to over \$55 million last year alone. The cumulative effects of this automatic backfill for the state are unsustainable.

CCI supports URA and TIF reform and HB09-1327 is a method to require local discussions and encourage local agreements to take place. Specifically, effective July 1, 2010, HB09-1327 would:

- Require municipalities to consider the impacts of an urban renewal plan on all property tax entities whose mill levies provide the funding for the city's project,
- Require municipalities that want to take more than half of the property tax revenue levied by all local governments for more than five years to enter into an intergovernmental agreement with the affected entity in advance, and
- Repeal the existing arbitration provisions which unduly stifle progress on projects without providing real benefit to other property taxing entities.

There have been many claims that HB09-1327 will end urban renewal development projects and that there will be no more bonding for redevelopment projects in the state. It is important to recognize that local taxing entities and the state simply want a seat at the table when it comes to the expenditure of their tax revenue. Under current statutes, municipalities hold all

the cards. They have no incentive to include their fellow local government partners in decisions that will have long term implications on their revenues and the services they provide for their constituents. HB09-1327 gives the other local entities that seat and will allow them to have conversations with cities and work, in partnership, to support redevelopment projects.

HB09-1327 will be heard in the Senate Local Government and Energy Committee Tuesday, April 28 and on the senate floor shortly thereafter. Please call your Senator and urge them to vote yes on HB09-1327.

Agriculture, Wildlife & Rural Affairs (AWRA)

SB09-235, Certain Fees Charged By the Division of Wildlife (Gibbs & Isgar, Merrifield)

CCI Position: Monitor

This bill continues and expands the existing habitat stamp program in the Division of Wildlife. There are two stamps currently, each \$5.00 and rising to \$10 in the bill. The money pays to protect Colorado wildlife habitat. Hunters and fishermen pay for the habitat stamps when purchasing a license. Hikers and visitors can buy the stamp but few know about the program and non-sportsman sales represent around 3% of total sales. SB09-235 allows the Division of Wildlife (DOW) to use money to market the habitat stamp to non-sportsmen, something they could not do before.

On the Senate floor, the bill was amended to require the DOW to direct at least a half-million dollars in additional funds collected from the habitat stamps for the purpose of providing water to the state's rivers and streams, enhancing instream flows and benefiting public fishing. Prior to the amendment the bill did not specify that the money collected from the new habitat stamps had to go to protecting access to hunting and fishing grounds in Colorado.

In the House Agriculture committee there were multiple amendments to be offered, however, the committee recessed for a short time and came to consensus on one amendment. The amendment requires stakeholders, including DOW and agricultural interests, to meet with the Senate and House Agriculture committees at least once before June 1st, 2010, to continue working on issues such as access, water rights, and fee simple land acquisition. If there is consensus, another bill or two may be offered next legislative session to address these issues. If the future bills do not pass or none are introduced, SB09-235 will be enacted as passed this session.

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

General Government (GG)

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. As amended in the Senate, the bill no longer includes county law enforcement agencies and now just includes municipal firefighters and fire districts, including county improvement districts. While CCI is very grateful to Senator Tochtrop for removing counties from this unnecessary bill, CCI is still concerned that

this bill represents a dangerous precedent of allowing the State to impose collective bargaining on local political subdivisions.

In addition to the questionable constitutional issues involved in this bill, the unfunded mandate that requires a special election to be held if negotiations fail between the firefighters and the collective bargaining unit is significant. Special elections are very expensive for political subdivisions to run and in some areas an election would be required within 30 days of notification. The hundreds of thousands of dollars it takes to organize and run a special election is money that counties, municipalities and special districts do not have. This money would need to come from other services or programs within the municipality or county, arguably allocating taxpayer dollars for purposes that taxpayers did not intend.

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.

House State Affairs committee heard this bill Thursday, April 23 and laid it over for action at a later date.

**SB09-006, Concerning a Mobile County Jail Identification Unit (Boyd, Solano)
CCI Position: Support**

Over the last three years, Denver metro area counties have quantified the impact of seriously mental ill inmates in county jails. In the seven metro county jails there is an average of 155 seriously mentally ill inmates on any given day. The costs to treat, support and house these inmates totaled **more than \$9 million last year** for the metro counties. While studying the issue, a taskforce organized to study this problem discovered that mentally ill inmates without identification upon release are more likely to recidivate and return to jail. CCI and community mental health providers have had conversations with the Department of Revenue (DOR) over the last year, however, the DOR has been unwilling and unable to move forward towards implementing the idea of a mobile ID van going to metro county jails to process IDs so inmates have higher access to benefits upon release, thereby reducing the chances of recidivism.

In the fiscal climate the state is in, it is hard to find money for any program. DOR's fiscal note, while manageable for this worthwhile program in good years, has forced changes in the bill. Language will be introduced in Senate Appropriations that will allow counties and DOR to rely on grants, gifts and donations to fund the program. While this option is not the optimal alternative counties sought, it will keep this important bill alive and conversations continuing between the counties and DOR on how to implement the mobile ID unit once DOR's computer refresh is accomplished and further logistics can be discussed. Additionally, a Senate amendment was added that would require DOR to continue meeting with counties to explore cost sharing options and other collaborative approaches to solving this important issue.

The bill passed the Senate and will be heard in the House Judiciary committee.

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

Health & Human Services (HHS)

HB09-1119, Concerning Creation of a Program to Assist Entities Providing Programs to Address Substance Abuse Problems in Rural Areas of Colorado (Vigil, Schwartz) CCI Position: Support

This bill creates the Rural Youth Alcohol and Substance Abuse Prevention and Treatment Program in the Department of Human Services' (DHS) Division of Alcohol and Drug Abuse. The program is intended to provide prevention and treatment services to children ages 8 to 17 in rural areas. The bill recognizes the greater difficulty of receiving treatment and assistance in more rural areas of the state, defined in this bill as a population of less than 30,000. This legislation should help improve local access to services for these youth, and that is the goal.

The State Board of Human Services is required to pass rules regarding program administration and will incorporate the bill's funding into current mechanisms used to purchase prevention and treatment services in rural areas. The DHS will implement the program on or after January 1, 2011, provided that sufficient funds are available.

Program funding will come from the new surcharges that will be applied to the various drunk driving and drug use offenses on the books today. These funds will then go into a fund for the Rural Youth Alcohol and Substance Abuse program. This is a very good bill that will help bridge the services gap between rural and urban areas in the state, and provide these rural youth with the same access to treatment that are routinely provided in metropolitan areas of the state.

SB09-104, Concerning the Provision of Verifiable Documents to Youth Leaving Foster Care (Sandoval, Gagliardi) CCI Position: Support

The bill requires county human service agencies to provide a birth certificate and social security card to youth planning on emancipating from foster care. The youth is not to pay for the costs of providing these documents. The CDHS provides funding assistance for some of these documents, as do many counties.

On average, about 900 youth in foster care turn 18 each year, and a smaller number of youth below the age of 17 are emancipated from care. If each of these youth requires a birth certificate there could be an additional cost of \$10,000. CCI believes that state and county funds currently available will cover these costs.

Counties overwhelmingly support this legislation, recognizing that children emancipating, by law or age, from foster care, are literally on the street and fending for themselves. In order to apply for a job, higher education or even housing, a young adult must have the appropriate identification documents routinely required in modern life. Insuring that these documents are uniformly provided for all such young adults is a logical and humane act that counties will continue to carry out. This bill is awaiting action by House Appropriations.

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

Land Use & Natural Resources (LUNR)

HB09-1350, Concerning the “New Energy Improvements and Jobs Creation Act of 2009” (Miklosi, Heath) CCI Position: Monitor

This bill creates the Colorado New Energy Improvement District to administer and finance a new energy improvement program for home energy efficiency and renewable energy improvements. The improvements will be financed by bonds issued by the district that are paid by special assessments levied on homes that choose to participate in the program. The total principal amount of bonds that can be issued by the district is limited to \$250 million and the duration of the bonds cannot exceed 20 years.

The Colorado New Energy Improvement District will include all residential properties that apply to and are accepted to join the district. The district will be a statutory public entity that is governed by a nine-member board. It will not be an agency of state or local government or subject to administrative direction by any state or local government agency.

The bill will involve cooperation by Treasurers’ and County Clerks’ offices, which will be required to handle the special assessments and deal with any liens and enforcement of liens that may result from an assessment default. It is this particular part of the bill that impacts county government, and to the extent that normal fees are payable to the respective county offices, the impact may be relatively small.

HB09-1129, Concerning an Authorization of Pilot Projects for the Beneficial Use of Captured Precipitation in New Real Estate Developments and Making an Appropriation in Connection Therewith (Looper, Romer) CCI Position: Monitor

HB09-1129, as amended, establishes a ten year 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 an evaluation of the technical ability to determine how much precipitation returns to the natural stream system.

The study will create a baseline set of data and methods to measure local precipitation patterns and ground water flow information, and an evaluation of precipitation harvesting designs. The study should assess the point at which precipitation harvesting causes injury to water rights. Finally, the bill collects data to adjudicate permanent augmentation plans.

The pilot program will be carried out by the Colorado Water Conservation Board, with advice from the State Engineer. 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.

There continues to be a great deal of interest in rain-water harvesting in Colorado, and this legislation is the first real-time live experiment on the benefits and impacts of designed rain-water harvesting. With a lifetime of ten years and rigorous data collection, as well as a concession by the proponents to carry out 100 percent augmentation during the first years of the project, this bill looks very reasonable and may provide considerable information on the

feasibility of more widespread rainwater use. The bill has passed Senate second reading and should be moving toward the Governor's office soon.

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

Taxation & Finance (TF)

SB09-228, Flexibility to Use State Revenues (Morse, Marostica)

CCI Position: Oppose

SB09-228 eliminates, in part, the limit on the growth of total general fund appropriations (6% or Arveschoug-Bird limit). CCI took an oppose position due to the impact the bill would have on transportation and capital construction funding, namely, by the elimination of the triggers for SB09-001 and HB09-1310. The bill is through the Senate and passed out of the House Transportation and Energy Committee Thursday, April 23. An amendment was added in committee to allocate general fund dollars to transportation (2%) and capital construction (1%) as well as increasing the general fund reserve by one half of one percent. This amendment, while acknowledging the impacts to transportation and capital construction that SB09-228 will have, is only in place for five fiscal years beginning fiscal year 2012-13 and only then if personal income rises at least 5% from the prior year. Even if triggered in 2012-13, the allocations would cease after 2016-17, after which the legislature may, but is not required to, make allocations to either transportation or capital construction.

SB09-233, Flexibility to Use State Revenues (Schwartz, Liston)

CCI Position: Monitor

As introduced, SB09-233 would not only have allowed an exemption from the commercial property tax rate for an in-home business if at least 25% of gross finished building area of a residential dwelling unit is used as an in-home business, but would have allowed 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 would have allowed the property tax liability attributable to a residence that was postponed to be paid in 5 annual installments. Finally, the bill would have required the notice of valuation to separately state the actual value of the residential and nonresidential uses as determined by the assessor.

The bill was amended in its entirety to restate that an in home business is not considered mixed use so long as no greater than 25% of the home, up to a maximum of 2,000 square feet, is used as an in-home business. As amended, the bill would result in a reduction of property taxes due to counties in excess of \$560,000.

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

Transportation & Telecommunications (TT)

HB09-1284, Corridor Capacity Strategic Planning to Foster Transportation Efficiency (Levy, Williams) **CCI Position: Monitor**

As amended by the House, HB09-1284 requires CDOT, an MPO and a MPO's member local governments to identify and prioritize congested corridors for development of a corridor capacity strategic plan (plan) in order to preserve the capacity and efficient functioning of the state transportation system in congested areas or areas projected to become congested as a result of future development. The bill then allows a plan to be developed for congested corridors and for those corridors forecasted to be congested in areas covered by a MPO. If a plan is adopted, locals are to use best efforts to adopt necessary ordinances and regulations to implement it. The bill further states that prior to the next STIP, CDOT and MPOs shall identify corridors, plans and related timelines and that CDOT capacity improvements shall not commence until plans are adopted.

If a corridor plan has not been developed or developed and determined to be inconsistent with the land use and trip generation assumptions in the plan, CDOT would be authorized to request a traffic study that meets department criteria on system impact, review changes to land use and zoning, and submit comments within timelines of local jurisdiction. CDOT would be further authorized to create internal rules and parameters of size and type of developments to trigger review and to receive county and municipal applications for rezoning and preliminary subdivision plans akin to current law for counties and municipalities.

The Senate Transportation and Energy Committee revisited the bill Tuesday, April 21st. CCI staff had initiated an amendment to clarify that capacity improvements are limited to CDOT jurisdiction as the bill sponsors have intended. However, that amendment was mooted by the entire section being removed from the bill. The bill now states that a plan is not required where a plan or planning process already exists.

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

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