

2022 ANNUAL REPORT



Overview of the 2022 Legislative Session



OVERVIEW

Colorado Chamber Secures Pivotal Legislative Victories for Business in 2022 Session

Political Climate Breeds Restraint and Compromise Among Leadership

By Loren Furman and Cynthia Meyer

The global pandemic still holds prominence in the news cycle and continues to take a toll on Colorado businesses, workers, and families – particularly in light of record inflation, skyrocketing fuel prices, workforce shortages, and supply chain disruptions on critical goods. This challenging economic landscape set the tone for the 2022 legislative session, which was the fourth in which Democrats have held the majority in both houses and full control of state government. With this in mind, the Chamber's strategy was to get ahead of the issues early, utilizing key relationships on both sides of the aisle to fight for business.

With elections on the horizon this year, legislative leadership took a much more measured approach in their policy agendas relative to previous sessions. Fear of a red wave on the national scale undoubtedly influenced lawmakers' messaging and legislative tactics, tempering some of the more progressive policy efforts that we've become familiar with in recent years. This was echoed in the legislative session's opening day speeches, where political narratives were similar among the Republican and Democratic party caucuses – both sides committed to addressing crime reduction, homelessness, the rising cost of living, tax and fee reductions, and funding for education.

"My number one priority this session is to bring down the cost of living in Colorado and make life more affordable for families in our state," House Speaker Alex Garnett said on the first day of session. "As your Speaker, this will be the lens through which I will evaluate legislation: will this bill make life in Colorado more affordable or more expensive? How will this proposal improve life for everyday families struggling to make ends meet?"

House Minority Leader Hugh McKean touched on similar themes, while placing some blame on many of the policies that have passed the legislature in the last few years for rising prices and increased crime.

"As Republicans we will do everything in our power to actually help Coloradans be able to afford to fill up their car with gas or go to the grocery store, to be able to heat their house this winter, to feel safe in their neighborhood and not have to worry



Loren Furman

President & CEO



Cynthia Meyer

Vice President of Communications

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about their children's safety or their personal property," McKean said. "We will do everything we can to help bring the American Dream back, to help alleviate the pain that families are facing every day."

Overall, the legislative session reflected this moderated tone, focusing on less controversial issues that appeal to a broad audience. Lawmakers on both sides of the aisle expressed a willingness to work with the business community to provide some relief, seek compromise, and improve problematic legislation.

Even through this restrained political rhetoric and ostensive bipartisanship, the 2022 session was not without conflict. The General Assembly adjourned after a turbulent final two weeks of session that saw numerous last-minute deals and hundreds of bills still moving late through the process. The progressive wing of the Democratic party tried to revive several proposals that failed from previous sessions, mostly without success – from a broad overhaul of the state's workplace harassment laws to a re-branded legislative attempt at "E-Trip" (the employee trip reduction program that failed as a regulatory effort last summer).

The Majority party's commitment to bringing financial relief to Coloradans only went so far, as several costly bills made their way to the Governor's desk – particularly in regard to environmental policy. But despite some unexpected turns at the eleventh hour, the Colorado Chamber's advocacy efforts and influence at the state capitol continues to get meaningful results for the business community.

One of the Chamber's most significant legislative victories this year was striking a deal with lawmakers to provide \$600 million in unemployment insurance relief to Colorado employers. This came after months of negotiations and sounding the alarm that impending premium hikes would significantly impact the state's business climate, setting us back as we strive for economic recovery.

"Colorado businesses have endured one of the most challenging economic environments in our state's history," said Colorado Chamber President and CEO Loren Furman after the bill was filed. "Through no fault of their own, many were forced to close and lay off valued employees, which has put them on the hook for the depletion of the Unemployment Insurance Trust Fund. After months of negotiations, this bill is an important first step in providing real relief to Colorado businesses. While we are still in need of a long-term solution, these funds will prevent significant unemployment premium increases, which will in turn help Colorado workers and local communities across the state."

The Colorado Chamber led the charge to successfully defeat a number of proposals that would have presented major burdens to businesses, like the employee marijuana use bill, a bill that would have disrupted the small business lending market, and more. The Chamber also directed an aggressive grassroots campaign against anti-business legislation that helped secure significant amendments to some of the more progressive proposals that passed this year.

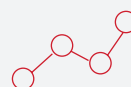


By the Numbers: The 2022 Legislative Session



717

Total bills filed in the 2022 legislative session, the highest since the Democratic party took control of both chambers in 2018.



\$600 Million

In Unemployment Insurance relief for business.



Up to \$250,000

Annual tax credit employers can claim for offering alternative transportation options to employees.

OVERVIEW

Colorado Chamber Leads Negotiations on Bipartisan Compromise for Unemployment Relief

Most notably, the Colorado Chamber led a powerful coalition to secure one of the most important victories for businesses this session – the infusion of \$600 million into the state’s depleted Unemployment Insurance Trust Fund. This bipartisan compromise was the result of months of negotiations between the Colorado Chamber, lawmakers, and other interest groups and will prevent substantial unemployment premium hikes for employers across the state. Replenishing the Unemployment Insurance Trust Fund (UITF) was a top priority for the Colorado Chamber since the fund went bankrupt in the middle of the pandemic.

In October 2021, Chamber President and CEO Loren Furman addressed the state’s interim Task Force on Economic Recovery and identified UI premium relief as the top issue facing employers. Furman pressed legislators to dedicate state and federal stimulus dollars to resolve the deficit. Chamber members also spoke to the press and lawmakers at length about the impact these premium increases would have on operations, from employee wages to consumer costs.

The rate at which UI premiums would have increased for each business depends on several factors, like number of employees, wages, and how many former employees utilized unemployment. The nonpartisan Common Sense Institute released an analysis indicating that compared to a 2020 baseline, Colorado employers faced \$5.3 billion in additional state and federal unemployment insurance payroll taxes between 2023 and 2027. In addition, if the state’s federal Unemployment Insurance loan is not repaid soon, employers would have to pay the federal government twice as much in 2024 and three times as much in 2026.

In anticipation of the 2022 legislative session, the Colorado Chamber led a coalition of more than 75 business entities calling on the legislature to provide relief. In January, the coalition sent a joint letter to the General Assembly asking lawmakers to support Governor Polis’ budget proposal to dedicate \$600 million to the UITF.



“Without any financial relief, that all falls on the shoulders of employers to have to pay back, through no fault of their own,” said Loren Furman, president and CEO of the Colorado Chamber of Commerce, who called it “a huge concern.” Her association led the effort to send Tuesday’s letter to lawmakers, which highlighted the nationwide labor shortage, supply-chain issues, inflation, and COVID-related shutdowns as other issues also confronting business owners.

“Colorado businesses press state lawmakers for \$600 million in unemployment relief,” The Denver Post, January 19, 2022

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“Unless legislators take action now, every business in Colorado will face historically high premium increases in the coming years – especially those that had to lay off workers through no fault of their own,” the coalition said in the letter. “It would be unconscionable to put this burden on the backs of businesses in these already difficult economic times.”

After months of negotiations between the Chamber, the bill sponsors, and other stakeholders, the \$600 million bipartisan proposal was finalized and announced in April 2022. The bill was sponsored by Sen. Chris Hansen,

Sen. Bob Rankin, Rep. David Ortiz and Rep. Marc Snyder. In addition to the \$600 million infusion, the bill makes additional changes to the unemployment system – like repealing the one week waiting period for claims and requiring employers to provide notice to employees regarding benefits.

While the \$600 million in relief doesn’t address the full scope of the unemployment deficit, it’s an important first step to preventing substantial premium increases for businesses. The Chamber will continue to work with lawmakers on a longer-term solution in future sessions.

OVERVIEW

Revival of Bad-for-Business Proposals Falls Flat

One of the most significant legislative battles businesses took on last session was an attempt to overhaul Colorado’s workplace harassment laws. The Colorado Chamber worked extensively with the bill’s sponsors in 2021 to strike a balance on the legislation to provide clarity in the law while preventing unreasonable claims, but ultimately the definitions and new legal standards set forth in the proposal were far too broad and would have exposed businesses to frivolous litigation. The legislation also saw opposition from disability advocate organizations and other business groups.

That bill failed to pass last year, but the sponsors made it very clear that they would try again in 2022. For months, the Colorado Chamber entered into negotiations on the bill before session even began, working closely with key legislators to strike a compromise on the proposal. Negotiations hit a wall as the sponsors were unwilling to compromise on creating an untested, broad new legal standard. The bill sponsors withdrew the bill with the understanding that they didn’t have the votes to pass it in its current form.

Another familiar proposal brought back to life this session was HB 1152, which would have prohibited employers from taking adverse actions against employees for marijuana use. The bill was similar to a measure that failed to pass in 2020 and the Chamber opposed it both times.

The legislation would have prevented employers from being able to refuse employment, fire workers, and refuse to promote or to demote employees due to their marijuana use. It applied to employees who have been found using medical marijuana during working hours as well as using recreational marijuana off the job. The bill raised significant

“Bill backers wanted to rewrite it so that single instances of harassing behavior could lead to a lawsuit and so that the court standards would not be as high as they are now, Furman said. Business leaders were willing to allow for a single instance of behavior to meet the standard if the case was egregious, but they wanted to follow the legislative definition and say that the court must consider the ‘totality of the circumstances’ when considering whether one or more acts met the definition of harassment.”

“Colorado legislators drop plan to redefine workplace harassment – for now,” Denver Business Journal, April 13, 2022

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concerns from businesses, especially in industries where employees operate dangerous machinery daily. Employers worried the bill could lead to risk of injury to not only those operating dangerous equipment, but also to other employees in the workplace as well.

While the bill offered some exceptions, they were insufficient because they were only permitted on a case-by-case basis and wouldn't have allowed for company-wide policies. This presented a significant burden on employers in keeping all of their workers safe.

There also were constitutionality issues with the bill. The retail sale and consumption of recreational marijuana was legalized in Colorado in 2012 with Constitutional Amendment 64. A task force established to implement the amendment specifically clarified that employers have the right to determine their own policies on company marijuana use, including the ability to terminate an employee who may test positive for recreational or medical marijuana use. HB 1152 appeared to contradict with the intent of Amendment 64 and would have opened the state up to litigation. HB 1152 died on a 12-1 vote in the House Business Affairs and Labor Committee.

In the financial industry, Banks across Colorado joined with representatives from agriculture and small business to oppose HB 1277, which would have disrupted the small business lending market and put banks at a tax disadvantage against credit unions. While this bill was new this session, it would have had far reaching impacts beyond just financial institutions.

Currently in Colorado, public money is only permitted to be held at federally regulated banking institutions. HB 1277 would have authorized public entities, like municipalities and counties, to deposit funds with credit unions as well. While the intent of the bill was to encourage competition in the industry, it failed to recognize the different functions and regulatory environments of credit unions compared to banks.

Banks rely on public funds held at their institutions to support small business loans and agricultural funds. Removing these funds from banking institutions would result in fewer loans to small businesses in Colorado, including in underserved communities.

"There's a big inequity between these types of financial institutions. One pays state and federal income taxes, and the other does not," Chamber President Loren Furman said in testimony against the bill. "As a business organization, we would never advocate for an industry to get unfair competitive tax advantage."

The proposal failed in the House Business Affairs and Labor Committee after testimony from community banks across Colorado alongside the Colorado Chamber.

Finally, as expected, this session progressives made a legislative attempt at the Employee Trip Reduction Program (E-Trip) – a failed regulatory effort from last summer that would have created a new mandate on employers to reduce the number of employees commuting to work in their own vehicles. After backlash from both businesses and workers across Colorado, the proposal was withdrawn, but environmental groups continued to push lawmakers to revisit the program.

Rep. Matt Gray and Sen. Faith Winter took on the task of drafting a bill to accomplish the same goals as E-Trip – this time given a fresh rebrand as the "Clean Commute" program. The bill, HB 1138, would have required businesses with over 100 employees to provide alternative transportation options to employees and would have created a business income tax credit as an incentive to participate.

While the proposal wasn't as burdensome as the original E-Trip, it still contained problematic provisions around employee privacy. The Colorado Chamber opposed the bill and raised concerns about workers needing to disclose what they do when they're not working. There were also concerns about the bill leading to mandates in the future modeled after the original proposal.

The bill failed by a bipartisan vote in committee. Ultimately, lawmakers agreed on the intent of the bill but preferred an incentive-based approach to improving Colorado's air quality.

The Colorado Chamber supported an alternative proposal, HB 1026, which just creates a tax credit incentive for businesses to provide alternative transportation options without the problematic mandates. This bipartisan bill, sponsored by Rep. Shannon Bird, Rep. Dan Woog, Sen. Chris Hansen, and Sen. Larry Liston, passed both chambers and was sent to the governor for signature.

OVERVIEW

Environmental Legislation: A Mixed Bag



"I think the employer community is frustrated. I think they're starting to resent all of the requirements that have been imposed upon them," Colorado Chamber of Commerce President/CEO Loren Furman said, referencing new oil-and-gas rules from 2019 and air-quality regulations approved in 2019 and 2020, among other laws. **"Now a bill like this is trying to set a new set of requirements when they're just trying to keep up with what they have already."**

"Business groups battle another air-quality regulatory bill at Colorado Capitol," Denver Business Journal, May 6, 2022



While the passage of HB 1026 exemplified bipartisanship, compromise, and balance in policymaking, it was unfortunately not the norm when it came to other environmental bills this session. The Chamber had to fight aggressively against costly, burdensome proposals that threatened Colorado's business climate and economic competitiveness. Though several of these bills passed, they were heavily paired down due to the Colorado Chamber's lobbying and grassroots campaigns.

The environmental bill that raised the most alarms from business this session was House Bill 1244, the toxic air contaminants bill. As filed, the bill would have had sweeping impacts on companies with manufacturing or industrial operations in Colorado – affecting not only manufacturers, but also agricultural companies, energy companies and more. It created impossible barriers for siting new facilities, created a new permitting system, and would have allowed the state to review and close any facility operating under a minor or major source permit. It also would have created new health-based standards to determine the prioritization of certain chemicals.

The Colorado Chamber formed a grassroots coalition of business groups opposed to the bill. Chamber members made over 1,300 contacts with lawmakers in opposition to the proposal, which pressured the legislature to make some critical changes to the bill.

The final version of the bill came with heavy amendments as a result of the coalition's work. Importantly, the permitting system in the proposal was replaced with a study. A major limitation was also placed on the bill that requires future legislative approval before any health-based standards can go into effect. The Chamber remained opposed to the bill due to some restrictive reporting requirements and regulatory burdens, but it was significantly improved from its original form.

One major victory on the environmental front this session came from a bill that was never filed. The Chamber's government affairs team expected Rep. Tracey Barnett to file a sweeping oil and gas bill this session that would have severely limited operations, potentially shutting down all or most production in the state. A draft of the bill began circulating late in the session, and the Chamber joined with its oil and gas members to prepare an opposition strategy. Fortunately, after pushback from industry groups, Rep. Barnett held back on filing the bill this year. As with other controversial legislation, it can always make another appearance in a future legislative session.

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In another victory for business, a bill that would have banned gas-powered lawn mowers, Senate Bill 138, was amended early in the legislative session in favor of an incentive-based program. The Colorado Chamber originally opposed the measure, but changed to a neutral position after the amendments. The bill ultimately failed to pass in the chaos of the final days of session.

Several other environmental bills opposed by the Chamber saw various amendments to soften new regulations after feedback from business. For example, a proposal banning PFAS, or “forever chemicals,” from products sold in Colorado was paired down with exemptions (HB 1345). Another bill creating a producer-funded statewide recycling program was also amended to include more parameters, transparency, and exemptions (HB 1355).

OVERVIEW

Some Tax Relief Coming for Businesses

With a healthy state budget and federal stimulus dollars in play this year, the General Assembly had room to provide some limited but welcome tax relief for employers in the form of advanced refunds, fee delays, and exemptions and credits.

In news that made a splash in the last few weeks of session, Gov. Jared Polis announced a proposal to send out TABOR refunds early. Under SB 233, Coloradans will now receive TABOR checks by September 30, 2022. The refunds will be between \$400-500 for single filers and between \$800-1000 for joint filers.

When the proposal was first announced, the Colorado Chamber sent feedback to the bill sponsors to add clarifications to the proposal and make it easier for certain types of filers to receive their refunds. Amendments were added to the bill after this feedback, including a change that ensures those asking for an extension – often small businesses – can still receive the refund in time.

In an attempt to address increasing fuel prices, lawmakers also passed HB 1351, which will delay the implementation of the \$0.02 per gallon road usage fee scheduled to go into effect this summer. The new implementation date is April 2023. The fee originated from the comprehensive \$5.4 billion transportation package passed last year. The bill also reduces vehicle registration fees.

Colorado businesses and residents will also be getting one-time property tax relief for 2023-24. Senate Bill 238



is a \$700 million proposal that seeks to limit property tax increases. The bill’s fiscal note estimates an average savings of \$274 for homeowners and \$1,000 for businesses. The legislature also passed HB 1006, which expands certain property tax exemptions to childcare centers.

Pass-through entities will be impacted by Senate Bill 124, the SALT Parity Act. The SALT Parity Act was originally enacted in 2021 and allows pass-through entities to pay state income tax at the entity level, which lets the entity claim an unlimited deduction at the federal level for state and local taxes paid. SB 124 changes the effective date of the SALT Parity Act to the retroactive date of January 1, 2018.

While these tax relief proposals are largely temporary and don’t provide long-term or structural change, any tax relief for business is appreciated in the current economic climate.

OVERVIEW

Building Colorado's Workforce of Tomorrow



In April, the Colorado Chamber hosted its annual Colorado Business Day event – which was the Chamber's first in-person event in over two years due to the limitations of the pandemic. The event focused on workforce development in Colorado as well as the state's vibrant manufacturing community.

"We want Colorado to be a place where business leaders want to invest, innovate and create opportunities," Furman said in her address to Chamber membership at Colorado Business Day. "In my conversations with business leaders across the state, I continue to hear the same themes. We need to bolster the talent pipeline of skilled workers, improve our tax environment, encourage a non-litigious employment environment, and make Colorado more competitive with other states."

Jay Timmons, president and CEO of the National Association of Manufacturers (NAM), was the keynote speaker for Colorado Business Day. The Colorado Chamber has been the state's affiliate for the NAM since 1965 and is proud to count many of Colorado's prominent manufacturers among its members.



"Even before the pandemic, manufacturers cited hiring and retaining talent as one of their biggest business challenges," Timmons said. "Today, that challenge is even bigger. The industry is going to need to fill more than four million jobs by the end of this decade. If hiring and retention practices don't evolve, more than two million of those jobs are going to go unfilled within the next ten years. That's going to create a major talent drain that's going to cost the U.S. economy hundreds of billions of dollars or more in 2030 alone. It's a big challenge, but think it's also important to see those numbers as opportunities."



Colorado can't afford to not act on workforce issues. Filling the jobs of the future will require sustained action from legislators for years to come. That's why the Colorado Chamber supported legislation like Senate Bill 140, a work-based learning bill that will help enhance the state's talent pipeline. The bill incentivizes more employers to participate in work-based learning opportunities by offsetting some of the indirect costs associated with these programs. It established four new programs to expand these opportunities and address digital inequity.

Bipartisan proposals like SB 140 will help address both short-term and long-term labor market deficits, and the Colorado Chamber will continue to look for solutions to bolster our talent pipeline to respond to the state's growing needs.

By the Numbers: The Colorado Chamber's Exposure and Reach



1,300+

Contacts with legislators using the Chamber's grassroots tools



70+

Newspaper and TV mentions of the Chamber's legislative work.



53

Bills the Colorado Chamber took positions on this legislative session



32

Bills the Chamber took a support/neutral position on that passed, plus bills that Chamber opposed and killed.

OVERVIEW

LOOKING AHEAD...

With the Colorado Chamber's recent transition of leadership, President and CEO Loren Furman has prioritized a future-focused vision for the organization. This year, the Chamber's staff have been hard at work preparing for an intensive strategic planning process to elevate our economic climate, creating opportunities for all Coloradans and addressing long-term challenges impacting the state's competitiveness.

One component of this is enhancing our influence on who gets elected to make decisions at the state capitol. Every election cycle in the past, the Colorado Chamber has overseen an extensive interview process for state legislative candidates and makes endorsements in the general election. This year, the Chamber engaged in primary elections for the first time, identifying pro-business leaders in both parties early to make a bigger impact on who is elected to lead Colorado. The Chamber's primary election endorsements were announced in May. And that's only the beginning – more updates to the Chamber's political program are on the horizon.

The current election cycle is an opportunity to shift the political climate in Colorado and provide more balance to the legislative process. All 65 House seats are up for reelection, as well as many Senate seats and all statewide office holders. If Democrats maintain control of the House and Senate this cycle, we can expect a similar tune in policy from the last four legislative sessions – a perceived mandate from voters for more progressive economic policies, many of which could drive businesses out of the state and stifle growth.

But high fuel prices and inflation at the national scale could present an advantage for Republican candidates in Colorado to retake toss-up seats and restore Colorado's status as a "purple," middle-of-the-road state politically – particularly in the state Senate. The recent legislative redistricting could also have an impact at shifting the landscape.

The Colorado Chamber will be taking an active role in identifying and supporting candidates on both sides of the aisle that demonstrate a commitment to common-sense economic policies and a willingness to reach across the aisle to find solutions to the state's pressing problems.

Colorado Chamber of Commerce President and CEO Loren Furman said the organization won't wait for the general election in November and plans to step up policy efforts earlier.

"We're not going to limit ourselves anymore to just our process in the general election," Furman told the crowd gathered for the chamber's Colorado Business Day event at the Weston on Thursday. "We're going to step it up and get engaged in primary elections. We're going to identify business leaders and really influence the process early, because that's what matters."

"Colorado Chamber of Commerce celebrates manufacturing industry,"
The Denver Gazette, April 14, 2022



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Over the last couple of years, it has been incredibly tough for businesses. Not just with the effects of the pandemic, the job losses, the closures – but we saw a lot of policy decisions that were made that created a lot of mandates on businesses, increased costs and fees, and regulatory changes at the administrative level. Compounding that with some of the challenges businesses are having now – inflation, increased gas prices, workforce challenges – all of that is coming together and really impacting the companies we represent.

Loren Furman, President/CEO

Colorado Chamber “State of the State” Business Address in Basalt, Colorado
June 21, 2022

ENERGY & ENVIRONMENT COUNCIL BILLS

HB 1018: Electric and Gas Utility Customer Protections
Sponsors: Representative Kennedy; Senators Winter and Hinrichsen
Position: Monitor
Bill Status: **Passed**

Chamber Analysis

- This bill changes the date the Department of Human Services is required to submit a budget to Energy Outreach Colorado, the organization that receives benefit charge funding, from October 1, 2021, to October 1, 2022, and the date it receives funding to the Supplemental Utility Assistance Fund from January 1, 2022, to March 1, 2023.
- The bill also establishes three income standards for determining eligibility for utility assistance.
- The bill prohibits the Public Utilities Commission from disconnecting a customer's electric and gas on Fridays, Saturdays, and holidays.

HB 1020: Customer Right to Use Energy
Sponsors: Representative Woog, Senator Kirkmeyer
Position: Support
Bill Status: **Dead**

Chamber Analysis

- HB 1020 would prohibit a state agency, local government, and common interest community from limiting or prohibiting the use of energy producing devices for electricity generation, cooking, hot water, or space heating in residences, units, or businesses.



HB 1026: Alternative Transportation Options
Sponsors: Reps. Bird & Woog; Senator Hansen & Liston
Position: Support
Bill Status: **Passed**

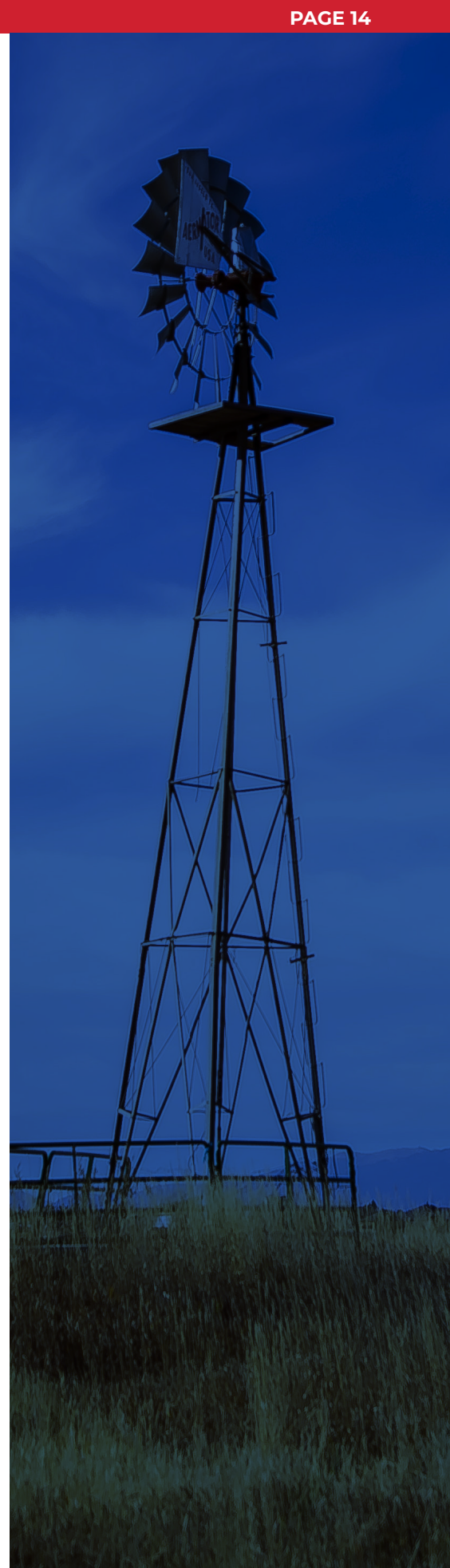
Chamber Analysis:

- This bill replaces the existing income tax deduction for employer expenses when providing alternative transportation options to employees with a refundable income tax credit of 50% of the expenses.
- The credit is allowed for the income tax years beginning on or after January 1, 2023, but before January 1, 2025.
- The bill was amended in the final days of session and limits an employer to an annual tax credit of \$250,000, and the maximum amount that an employer can claim for a single employee is \$2,000.
- The Chamber supported this incentive-based approach to the issue, as opposed to other legislation that would have created new mandates on employers.

HB 1138: Reduce Employee Single-occupancy Vehicle Trips
Sponsors: Representatives Gray and Herod; Senators Winter and Hansen
Position: Oppose
Bill Status: **Dead**

Chamber Analysis

- HB 1138 looked to reduce single-occupancy vehicle trips by mandating that businesses provide alternative transportation options for employees with the goal of improving
- The original drafted bill required businesses with over 100 employees to provide alternative transportation options to employees and would have created an income tax credit as an incentive for businesses of all sizes to participate. While the House sponsor offered amendments to the bill, it was rejected in a 9-1 bipartisan vote over concerns about employee privacy and the potential for future mandates.



HB 1244: Public Protections From Toxic Air Contaminants
Sponsors: Representatives Kennedy and Gonzales-Gutierrez
Position: Oppose
Bill Status: **Passed**

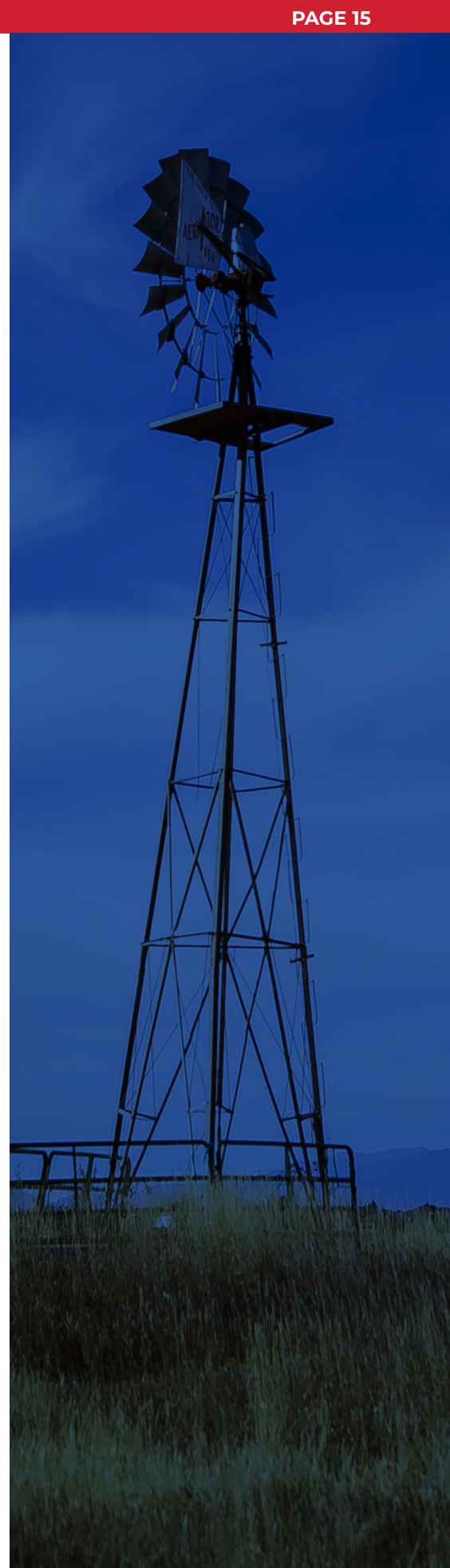
Chamber Analysis

- HB 1244 creates a new program to regulate toxic air contaminants, including all air pollutants that the air quality control commission designates as toxic based on adverse health effects.
- Each year, owners and operators of businesses emitting any source of pollution will submit to an annual emissions inventory report to determine the levels of air toxins that were released that year. If found that a business contributes to high levels of toxic air, the division can require a decrease or cessation of the emissions.
- The bill also creates a monitoring program to determine the concentration of toxic air throughout the state and will report the results every 5 years.
- The Chamber aggressively opposed this bill as filed due to its sweeping impact on businesses with industrial or manufacturing operations in Colorado. While the Chamber remained opposed to the final version of the bill, it was heavily amended late in the process after feedback from businesses.

HB 1322: Water Quality Regulation
Sponsors: Representatives Benavidez, Valdez; Senators Moreno, Gonzales
Position: Oppose
Bill Status: **Passed**

Chamber Analysis

- HB 1322 requires the water quality control commission to conduct outreach and gather input from disproportionately impacted communities regarding the commission's rule-making proceedings, licensing proceedings, and adjudicatory hearings.
- The bill also creates a 5-year statute of limitations for bringing actions under the Colorado Water Quality Control Act.



HB 1345: Perfluoroalkyl and Polyfluoroalkyl Chemicals
Sponsors: Representatives Cutter and Bradfield; Senators Gonzales and Lee
Position: Oppose
Status: **Passed**

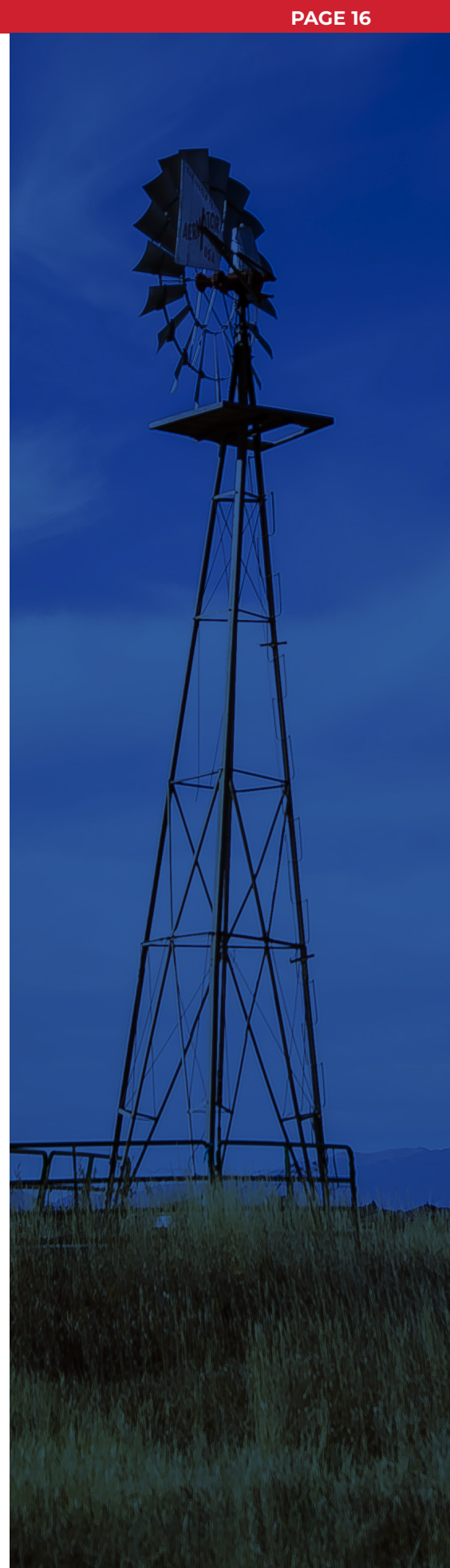
Chamber Analysis

- HB 1345 enacts the “Perfluoroalkyl And Polyfluoroalkyl Chemicals Consumer Protection Act” that prohibits the sale or distribution of some products containing intentionally added perfluoroalkyl and polyfluoroalkyl chemicals.
- The bill lists several items products are prohibited from being sold if they contain intentionally added PFAS chemicals, and states that cookware containing PFAS chemicals that would come in contact with food must list the chemicals on the product label and state why PFAS chemicals were added to the product.
- The bill also states that firefighting foam must not be released into the environment, and the usage of firefighting foam must be reported within 24 hours after the use.

HB 1355: Producer Responsibility Program for Recycling
Sponsors: Representative Cutter, Senators Priola and Gonzales
Position: Oppose
Status: **Passed**

Chamber Analysis

- HB 1355 requires the executive director of the Colorado department of health and environment to designate a nonprofit organization to implement a statewide recycling program for residences, businesses, schools, government buildings, and public places.
- The bill creates the producer responsibility program for statewide recycling advisory board with members who have expertise in recycling programs.
- The bill also states that a producer may not sell products that used covered materials in the state unless the producer is participating in the program.
- The bill was amended in committee to exempt some small businesses, agricultural products, and certain paper products for local newspapers.



HB 1362: Building Greenhouse Gas Emissions
Sponsors: Representatives Bennett and Valdez; Senators Hansen and Winter
Position: Oppose
Status: **Passed**

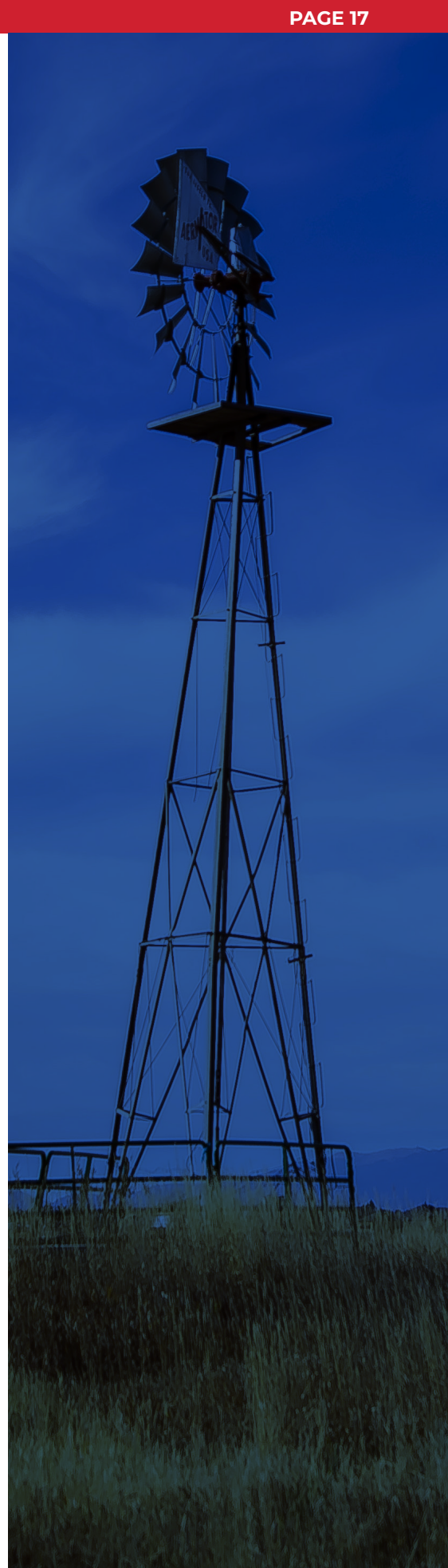
Chamber Analysis

- HB 1362 requires the Colorado Energy Office, local governments, and certain state agencies to adopt and enforce IECC National Model Energy Code standards beginning with the 2021 IECC standards and expanding from there. This would set new standards for local building codes surrounding things like electric appliances, solar technologies, electric vehicle charging stations, and other energy efficiency measures.
- The bill also creates two grant programs to provide funding for high efficiency electric equipment, increasing state and local expenditures.
- The Colorado Chamber opposed the bill in part due to its impact on housing affordability.

SB 131: Protect Health of Pollinators and People
Sponsors: Senators Jaquez Lewis and Priola; Representatives Kipp and Froelich
Position: Oppose
Bill Status: **Died**

Chamber Analysis

- SB 131 would restrict the use of pesticides on the grounds of a school, preschool program, childcare center, or children's resident camp and requires notification if pesticides are used in any of those areas.
- The bill also would have required the executive director of the department of natural resources to conduct a study on how to address pollinator decline and increase pollinator health in the state.
- The bill created a grant program in the department of agriculture to provide financial grants to agricultural producers to test the use of noncoated see-applied systematic insecticides on their crops.
- The bill would authorize local governments to regulate pesticide use as well as requiring the commissioner of agriculture to adopt rules that restrict certain pesticides.



SB 138: Reduce Greenhouse Gas Emissions in Colorado
Sponsors: Senators Hansen and Priola; Representatives Valdez and McCormick
Position: Monitor as Introduced / Amend
Bill status: **Dead**

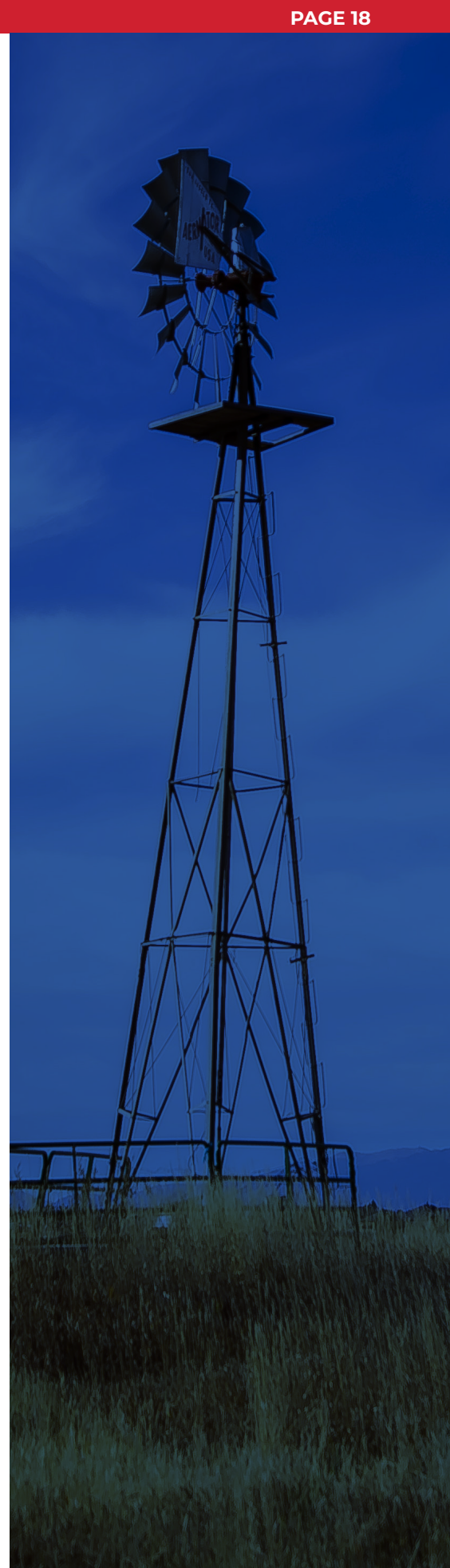
Chamber Analysis

- SB 138 creates a 30% state income tax credit for electric-powered small off-road equipment. The credit would be in the form of a discount from the purchase price of the equipment and then claimed by the seller as credit against their taxes owed.
- The bill also would require that PERA and insurance companies include climate risk assessments, authorize the Department of Natural Resources to regulate class VI injection wells, and require the Department of Agriculture to study carbon sequestration opportunities in the agriculture sector.

SB 193: Air Quality Improvement Investments
Sponsors: Senators Fenberg and Gonzales; Representatives Valdez and Froelich
Position: Support
Bill status: **Passed**

Chamber Analysis

- SB 193 creates a clean air grant program awarding grant money to private entities, local governments, tribal governments, and public-private partnerships for voluntary projects to reduce air pollutants from industrial and manufacturing operations.
- The bill also awards grant money to local and tribal governments as well as nonprofit organizations to create a bike share and bike ownership program.
- The bill creates a grant program for the replacement of diesel trucks and replacing them with newer, cleaner models. It also creates a program to grant money to replace diesel school busses with electric school busses.



SJR 008: Colorado Energy Development
Sponsors: Senators Sonnenberg and Cooke; Representatives McKean and Holtorf
Position: Support
Bill Status: **Died**

Chamber Analysis

- SJR8 called for increased production of energy resources in Colorado. It supported expanding and diversifying clean energy production and an “all of the above” strategy to protect the national security interests of the United States. This includes increasing domestic production of energy from oil, natural gas, advanced nuclear, geothermal, pump-hydro, green and blue hydrogen, wind, and solar and making our state’s existing baseload fleet more sustainable with carbon capture and storage.
- The Resolution urged the state to accelerate its approval of permits to increase Colorado’s production of oil and gas and displace less-regulated foreign energy sources.
- The Senate Joint Resolution also urges the Governor of Colorado and the President of the United States to support policies that will make America an energy leader as well as urge them to promote cleaner energy that will reduce costs for Americans.

GOVERNMENTAL AFFAIRS COUNCIL BILLS

HB 1089: Rideshares and Uninsured Motorist Insurance Coverage
Sponsors: Representative Woodrow; Senator Winter
Position: Oppose
Status: **Passed**

Chamber Analysis

- HB 1089 requires a transportation network company or its drivers to secure insurance protection for drivers and for their riders against damage caused by uninsured motorists.
- The coverage must include of at least \$1.0 million per occurrence against damages caused by uninsured motorists.



HB 1138: Reduce Employee Single-occupancy Vehicle Trips
Sponsors: Representatives Gray and Herod; Senators Winter and Hansen
Position: Oppose
Status: **Died**

Chamber Analysis

- HB 1138 looked to reduce single-occupancy vehicle trips by mandating that businesses provide alternative transportation options for employees with the goal of improving Colorado air quality.
- The original drafted bill required businesses with over 100 employees to provide alternative transportation options to employees and would have created an income tax credit as an incentive for businesses of all sizes to participate. While Rep. Matt Gray offered amendments to the bill, it was rejected in a 9-1 bipartisan vote over concerns about employee privacy and the potential for future mandates.

HB 1149: Advanced Industry Investment Tax Credit
Sponsors: Representatives Lynch and Bird; Senators Rankin and Hansen
Position: Support
Status: **Passed**

Chamber Analysis

- HB 1149 extends the advanced industry investment tax credit for an additional year, increases the annual minimum amount of the tax credit from \$750,000 to \$4 million.
- It also increases the tax credit from 30% to 35% of a qualified investment in rural or economically distressed areas and increases the total amount of the tax credit for each qualified investment from \$50,000 to \$100,000, and specifies how certain types of businesses may utilize the credit among partners, investors, and shareholders.

HB 1277: Authorize Credit Unions to Hold Public Money
Sponsors: Representatives Mullica and Neville; Senator Gonzales
Position: Oppose
Status: **Died**

Chamber Analysis

- Currently in Colorado, public money is only permitted to be held at federally regulated banking institutions. House Bill 1277 would have authorized public entities, like municipalities and counties, to deposit funds with credit unions as well.
- Banks are regulated by the federal Community Reinvestment Act (CRA), which helps ensure that federally insured banks meet the credit needs of the communities they serve by requiring banks to offer loans to vulnerable and distressed areas. Credit unions are not regulated under the CRA, meaning they are not required to offer these types of loans.
- In addition, credit unions do not pay federal income taxes. The Colorado Chamber opposed the bill to prevent an unfair competitive tax advantage in the financial services industry.



HB 1287: Protections for Mobile Home Park Residents
Sponsors: Representative Boesenecker; Senators Hooton and Winter
Position: Oppose
Status: **Passed**

Chamber Analysis

- HB 1287 makes changes to the Mobile Home Park Act and Mobile Home Park Act Dispute Resolution and Enforcement Program (DREP) by prohibiting a landlord from raising rent on a mobile home park lot if the landlord's registration is not in good standing.
- The bill also permits residents, local governments, and nonprofit organizations to file complaints with DREP.

HB 1346: Electrician Plumber Licensing Apprentice Ratio
Sponsors: Representatives Duran and Mullica; Senator Danielson
Position: Oppose as Introduced / Neutral
Status: **Passed**

Chamber Analysis

- HB 1346 requires that the state conduct compliance checks on apprentice supervision for electricians and plumbers while prohibiting a licensed master electrician or plumber from applying for a permit in certain circumstances.

SB 129: Process for Proposed Air Quality Rules
Sponsors: Senator Cook
Position: Support
Status: **Died**

Chamber Analysis

- SB 129 would have required the Air Quality Control Commission to include a description of persons, including businesses, that will be affected by any proposed rule, and encourages AQCC to give more than the required 60-day notice prior to public hearing.
- The bill also required the party who proposes a new rule to include a description of persons, including businesses, that would be affected by any proposed rule.



SB 161: Wage Theft Employee Misclassification Enforcement**Sponsors:** Reps. Duran & Froelich; Senator Lewis & Danielson**Position:** Oppose**Bill Status:** **Passed****Chamber Analysis:**

- The bill updates and modifies laws pertaining to the payment of wages, employee misclassification and workplace safety and the enforcement procedures and remedies for violations of those laws. The bill imposes new financial penalties and puts additional requirements on employers surrounding wages for terminated employees.
- The bill also establishes the Worker and Employee Unit in the Department of Law to investigate and enforce wage theft, unemployment insurance, and misclassification of employees, and workplace safety claims under specified circumstances.
- The Chamber worked with the proponents on several amendments to the bill which were adopted in the House and Senate.

SB 230: Collective Bargaining for Counties**Sponsors:** Reps. Esgar; Senator Fenberg & Moreno**Position:** Oppose**Bill Status:** **Passed****Chamber Analysis:**

- This bill allows for the expansion of county employees' rights which would allow public employees of a county to have the right to engage in collective bargaining and other employee organizations such as unions. The original bill would have included all public sector employees, but it was narrowed to only apply to counties.
- The Chamber opposed the bill due to concerns over driving up costs through unfunded mandates, removing local control from counties, and the possibility that it could set a precedent for more expansive legislation in the future.



HEALTHCARE COUNCIL BILLS

HB 1008: Implementation of Fertility Coverage
Sponsors: Representatives Tipper and Soper; Senators Fenberg and Winter
Position: Oppose
Bill Status: Signed by the Governor on April 13, 2022

Chamber Analysis

- HB 1008 updates legislation from 2020 that requires large employer health benefit plans must cover fertility services in the state of Colorado on or after January 1, 2023.
- The bill also requires coverage for fertility services for all individual and small group policies within a 12-month decision from the federal Department of Health and Human Services.
- The Chamber opposed the legislation adopted in 2020 based on concerns by its members that the new law will increase insurance premiums for employers and employees.

HB 1122: Pharmacy Benefit Manager Prohibited Practices
Sponsors: Reps. Will & Lindsay; Senator Lewis
Position: Amend as introduced, Oppose as passed
Bill Status: Passed

Chamber Analysis:

- The bill prohibits a pharmacy benefit manager (PBM) from reimbursing a pharmacy for a prescription drug in an amount less than the national average drug acquisition cost of the prescription. The bill also prohibits health insurers, PBMs, and other third-party payers from discriminating against participating in the federal 340B drug pricing program.
- This bill applies to contracts between a PBM and a pharmacy that is owned by a licensed pharmacist and is located in a county with a population fewer than 100,000 people that is entered into on or after January 1, 2023.
- The Chamber opposed this legislation because it will ultimately lead to an increase in insurance premiums for employees and employers.

HB 1198: Medical Expense Sharing Program Requirements
Sponsors: Reps. Baisley
Position: Monitor
Bill Status: Died

Chamber Analysis:

- The bill would have imposed new requirements on any organization that operates a medical expense sharing program and would authorize the attorney general to issue a notice of noncompliance to organizations failing to apply with the requirements specified in the bill.

HB 1199: Visitation Requirements Healthcare-care Facilities**Sponsors:** Reps. Geitner**Position:** Oppose**Bill Status:** **Died****Chamber Analysis:**

- HB 1199 would require facilities to allow patients to have visitors under the least restrictive state and local regulations while giving priority to immediate family members and anyone providing religious comfort – overruling any policy the facility has in place to keep their patients and staff safe.
- The bill also establishes civil penalties for failing to comply. The Chamber opposed the bill due to its overly broad nature.

HB 1285: Prohibit Collection Hospital Not Disclosing Prices**Sponsors:** Reps. Neville & Esgar; Senator Moreno & Cooke**Position:** Opposed as introduced, Monitor as passed**Bill Status:** **Passed****Chamber Analysis:**

- The bill prohibits a hospital or other entity collecting on behalf of the hospital from initiating collection actions against a patient for debt incurred by the patient on the date or dates of service when the hospital was not in material compliance with federal hospital price transparency laws.
- The Chamber initially opposed the bill due to the additional costs it would impose on certain hospitals and the potential for litigation arising from the bill. The bill was amended to address many of these concerns, including limiting complaints brought by patients against noncompliant hospital. It also was amended to give smaller hospitals additional time to comply with the bill.

HB 1325: Primary Care Alternative Payment Models**Sponsors:** Reps. Kennedy & Caraveo; Senator Ginal**Position:** Oppose**Bill Status:** **Passed****Chamber Analysis:**

- The bill requires state agencies to develop and adopt rules for an alternative model for payment (APM) in the health care sector. The bill grants broad rulemaking authority to department of insurance and the department of health care policy and financing to create this state-run payment model.
- The bill mandates insurance carriers to offer the state-created APM in all primary care contracts by 2025.

HB 1370: Coverage Requirements for Health Care Products
Sponsors: Reps. Jodeh & Sirota; Senator Buckner & Winter
Position: Oppose
Bill Status: **Passed**

Chamber Analysis:

- This bill requires each health insurance carrier that offers individual or small group health benefit plan to offer at least 25% of its health benefit plans on the Colorado health benefit exchange and at least 25% of its plans not on the exchange in each benefit level in each service area as copayment-only payment structures for all prescription drug cost tiers.
- Starting in 2024, a carrier or the carrier's pharmacy benefit manager (PBM) is prohibited from modifying the current prescription drug formulary during the current plan year.
- The Colorado Chamber opposed the bill due to concerns over cost-shifting to employer-sponsored plans. One estimate projected it would increase the cost of employer-sponsored health insurance by \$120 per month for the average family of four.

SB 40: Actuarial Reviews Health Insurance Mandate Legislation
Sponsors: Reps. Will & Lontine; Senator Smallwood & Winter
Position: Support as introduced; Monitor as passed
Bill Status: **Passed**

Chamber Analysis:

- his bill requires the division of insurance to retain one or more entities that have experience in actuarial reviews by contract on or before November 1, 2022. This is for the purpose of performing actuarial reviews of legislative proposals that may impose a new health benefit mandate on benefit plans.
- The Chamber originally supported the bill, but it was watered down in the amendment process causing a shift in position to "monitor."

SB 53: Health Facility Visitation During Pandemic
Sponsors: Reps. McLachlan & Geitner; Senator Sonnenberg
Position: Oppose
Bill Status: **Passed**

Chamber Analysis:

- SB 53 requires hospitals, nursing care facilities and assisted living residences to allow their patients/residents to have at least one visitor of their choosing. The health care facilities must have written policies and procedures regarding these visitation rights.
- Health care facilities are prohibited from adopting policies or procedures that prohibit visitation for the sole reason of reducing the risk of pandemic disease transmission, but facilities may impose specific restrictions for visitors to reduce the risk of pandemic disease transmission.
- The Chamber took an opposed position to this bill due to its overly broad nature after receiving feedback from hospital members.

SB 68: Provider Tool to View All-payer Claims Database
Sponsors: Reps. Lontine & Woog; Senator Rodriguez & Kolker
Position: Monitor
Bill Status: **Passed**

Chamber Analysis:

- This bill requires the administrator of the all-payer health claims database to create a tool to facilitate the review of certain health claims reimbursement data. The tool is meant to improve transparency and cost efficiency for all-payer health claims.

SB 78: Prior Authorization Exemption Health Care Provider
Sponsors: Reps. Geitner & Bird; Senator Kirkmeyer & Ginal
Position: Monitor
Bill Status: **Died**

Chamber Analysis:

- This bill would require health care carriers to offer a qualified provider an alternative or exemption to prior authorization. The bill also includes incentive awards or other innovative programs designed by carriers to reduce patient wait times and administrative burdens.
- A carrier would be required to inform a provider of their status as a qualifier and annually reevaluate their position under this bill.

LABOR & EMPLOYMENT COUNCIL BILLS

HB 1098: Department of Regulatory Agencies Barriers to Practice Regulated Professions
Sponsors: Representatives Bird and Bacon; Senators Liston and Coleman
Position: Support
Status: **Passed**

Chamber Analysis

- HB 1098 requires the Department of Regulatory Agencies to complete an audit of the occupations they regulate to determine barriers to entry for individuals with a criminal history.
- The bill also requires that the denial of a license based on an applicant's criminal history record must document the reason for denial of the license.
- Before a state or local agency makes a final determination that a criminal history disqualifies an applicant, the agency must provide an applicant with a written notice that a criminal conviction will disqualify an applicant and notify them of their right to submit additional evidence. If the agency makes a final determination that a criminal conviction will prevent an applicant from receiving a license, the agency must provide the determination in writing and issue a notice of the right to appeal the determination.

HB 1100: Prohibit Discrimination COVID-19 Vaccine Status
Sponsors: Representatives Ransom and Sandridge
Position: Oppose
Bill Status: **Died**

Chamber Analysis

- HB 1100 would prohibit an employer from taking adverse action against an employee or applicant for employment based on their COVID-19 immunization status, while also allowing an aggrieved employee to file a civil action lawsuit.
- The bill also specifies that the COVID-19 vaccine is not mandatory, and government agencies and private businesses cannot discriminate against clients, patrons, or customers based on their vaccine status.

HB 1112: Workers' Compensation Injury Notices
Sponsors: Reps. Daugherty; Senator Gonzales
Position: Neutral
Bill Status: Signed by the Governor on March 24, 2022

Chamber Analysis:

- Current law requires an injured employee or someone else with knowledge of the injury to notify the employer within 4 days after the occurrence of an on-the-job injury. This bill changes the 4-day notice period to a 10-day notice period and repeals the tolling and compensation reductions provisions previously present.
- The bill also changes the notice that the employer is required to post in the workplace to include certain information. If the employer fails to post required notices describing the 10-day injury notice period, the time allotted to submit a notice to an employer is tolled.

HB 1119: Colorado False Claims Act
Sponsors: Reps. Gray & Weissman; Senator Winter
Position: Neutral
Bill Status: Passed

Chamber Analysis:

- The act makes a person liable to the state or a political subdivision of the state for a civil penalty if the person commits, conspires to commit, or aid and abets the commission of "false claims". The bill defines false claims and requires the attorney general or a local prosecutor to investigate false claims. The legislation looks to mitigate unemployment insurance fraud and other types of fraud.
- The Chamber originally opposed the bill and raised concerns with the bill sponsors in February. Due to the bill sponsors' willingness to work with the Chamber to address these concerns, it was amended in committee and the Chamber moved to a neutral position.

HB 1152: Prohibit Employer Adverse Action Marijuana Use

Sponsors: Reps. Hooton

Position: Oppose

Bill Status: **Died**

Chamber Analysis:

- The bill would have prohibited an employer from taking adverse action against an employee, including an applicant for employment, who is engaging in medical marijuana on work premises during working hours or retail or medical marijuana off the work premises during nonworking hours. A similar measure was filed in the 2020 session and died on a unanimous vote.
- The Chamber took an opposed position due to the bill's impact on the safety of employees and the public, particularly those who use high-risk equipment. There were also constitutional issues with the bill as it appeared to contradict the intent of Amendment 64 passed in 2012.
- The bill died in the House Business Affairs and Labor committee on a 12-1 vote.

HB 1216: Uniform Restrictive Employment Agreement Act

Sponsors: Representative Tipper, Senator Bridges

Position: Oppose

Bill Status: **Died**

Chamber Analysis

- HB 1216 regulates agreements between an employer and an employee after the existing employment agreement ends by prohibiting non-compete agreements for low-wage workers. In the case of an enforceable non-compete, the bill requires advanced notice from the employer to notify the employee.
- The bill also creates penalties and enforcement mechanisms for non-compete agreements.

HB 1272: Repeal of Attorney Fees on Motions to Dismiss

Sponsors: Reps. Gonzales-Gutierrez & Benavidez; Senator Gonzales & Rodriguez

Position: Oppose

Bill Status: **Passed**

Chamber Analysis:

- HB 1272 eliminates existing provisions by which a defendant in a civil case may be awarded reasonable attorney fees in tort actions if a case is dismissed on motion of the defendant prior to trial.
- The Chamber opposed the legislation because it will encourage costly civil litigation by no longer allowing plaintiffs to be held responsible for legal costs if they file a frivolous claim. The bill removes the ability for defendants in frivolous suits to recover attorneys' fees even for baseless claims.
- Based on concerns by the Chamber and other business groups as well as members of the House and Senate, this bill was killed by the sponsor and HB 1317 as described below was introduced in its place.

HB 1317: Restrictive Employment Agreements

Sponsors: Reps. Tipper; Senator Bridges

Position: Oppose

Bill Status: **Passed**

Chamber Analysis:

- This bill places limitations on restrictive employment agreements for employees making less than what is considered a "highly compensated employee" (currently \$101,250 annually) and requires that employers notify workers of the agreements before they start their positions.
- There are certain exceptions including if the covenant not to compete is for the protection of trade secrets and is no broader than reasonably necessary to protect the employer's legitimate interest in protecting trade secrets.
- Employers that violate provisions of the bill will face a \$5,000 penalty for each violation.
- The Chamber opposed the bill over concerns that the compensation threshold is too high and would exclude many employees who are exposed to proprietary information. The bill also limits the ability for employers to adequately protect trade secrets and other sensitive information.
- The Chamber worked on several amendments to address concerns raised by its members and some amendments were adopted.

SB 66: Restore Unemployment Insurance Fund Balance
Sponsors: Reps. Van Winkle; Senator Woodward
Position: Support
Bill Status: **Died**

Chamber Analysis:

- The bill would have required the state treasurer to transfer \$1.1 billion from the general fund to the unemployment compensation fund to restore the balance of the fund to its pre-pandemic level.
- The bill would have also required the director of the division of unemployment insurance to repay the federal government for the \$1.014 billion of advances received from the federal government in responding to the COVID-19 pandemic.
- The bill was defeated based on the introduction of alternative legislation (SB 234) which included funding to backfill the UITF and other reform provisions.

SB 97: Whistleblower Protection Health & Safety
Sponsors: Reps. Herod & Sullivan; Senator Rodriguez & Pettersen
Position: Oppose
Bill Status: **Passed**

Chamber Analysis:

- Current law provides whistleblower protections for workers who raise a reasonable concern about health or safety related to a public health emergency. This bill expands the protection to all health and safety concerns regardless of whether there is a declared public health emergency.
- Similar legislation was adopted in 2021 in response to the pandemic and this bill expands those protections.

SB 99: Sealing Criminal Records
Sponsors: Reps. Tipper & Larson; Senator Hisey & Rodriguez
Position: Opposed as introduced, Support as passed
Bill Status: **Passed**

Chamber Analysis:

- SB 99, the "Clean Slate Act," would create an automatic sealing process for non-violent criminal records. It requires a consumer reporting agency to exclude sealed and expunged records from a consumer report, unless the information is required to be considered in accordance with the law.
- Prior to SB 99, only certain drug offenses were allowed for the automatic sealing of criminal justice records. SB 99 extends the automatic sealing to all offenses that allow the defendant to petition the court for the sealing of criminal justice records that are not subject to the victims rights act.
- The Chamber worked on amendments to resolve concerns with the bill.

SB 115: Clarifying Terms Related to Landowner Liability
Sponsors: Reps. Soper & Tipper; Senator Gardner & Jaquez Lewis
Position: Support
Bill Status: Signed by the Governor on April 7, 2022

Chamber Analysis:

- This bill clarifies the meaning of terms related to landowner liability and declares the Colorado court of appeals and the supreme court decisions in *Rocky Mountain Planned Parenthood, Inc. v. Wagner* should not be relied on to the extent that the decisions determined:
 - The foreseeability of third-party criminal conduct based on whether the goods or services offered by a landowner are controversial; and
 - That a landowner could be held liable as a substantial factor in causing harm without considering whether a third-party criminal act was the predominant cause of that harm

SB 161: Wage Theft Employee Misclassification Enforcement
Sponsors: Reps. Duran & Froelich; Senator Lewis & Danielson
Position: Oppose
Bill Status: Passed

Chamber Analysis:

- The bill updates and modifies laws pertaining to the payment of wages, employee misclassification and workplace safety and the enforcement procedures and remedies for violations of those laws. The bill imposes new financial penalties and puts additional requirements on employers surrounding wages for terminated employees.
- The bill also establishes the Worker and Employee Unit in the Department of Law to investigate and enforce wage theft, unemployment insurance, and misclassification of employees, and workplace safety claims under specified circumstances.
- The Chamber worked on amendments to resolve concerns raised by its members which were adopted in the House and Senate.

SB 234: Unemployment Compensation
Sponsors: Senators Hansen and Rankin; Representatives Ortiz and Snyder
Position: Support
Status: **Passed**

Chamber Analysis

- SB 234 dedicates \$600 million to the state's depleted Unemployment Insurance Trust Fund (UITF) and include some additional reforms to the Unemployment Insurance Program.
- The bill suspends the solvency surcharge and expands unemployment benefits. It also creates the Benefit Recovery Fund, which provides grants to provide recovery benefits to eligible individuals, and the Title XII Repayment Fund, which transfers \$600 million to the fund. Additional UI reforms in the bill include:
 - Repealing the requirement that an individual wait at least one week before becoming eligible for UI compensation. This repeal will take effect when the UITF reaches a balance of at least \$1 billion
 - Requiring the state to study how to implement a dependent allowance for individuals receiving UI compensation.
 - Requiring the state to award grants to one or more third-party administrators for the purpose of providing recovery benefits to eligible individuals.
 - Requiring employers to provide employees with information about UI compensation upon the employee's separation from employment.
- SB 234 was a top priority of the Chamber this session and comes after months of negotiations between the bill sponsors and business groups led by the Colorado Chamber. The Chamber led a coalition of more than 75 businesses on the effort.

TAX COUNCIL BILLS

HB 1026: Alternative Transportation Options
Sponsors: Reps. Bird & Woog; Senator Hansen & Liston
Position: Support
Bill Status: **Passed**

Chamber Analysis:

- This bill replaces the existing income tax deduction for employer expenses when providing alternative transportation options to employees with a refundable income tax credit of 50% of the expenses.
- The credit is allowed for the income tax years beginning on or after January 1, 2023, but before January 1, 2025.
- The bill was amended in the final days of session and limits an employer to an annual tax credit of \$250,000, and the maximum amount that an employer can claim for a single employee is \$2,000.
- The Chamber supported this incentive-based approach to the issue, as opposed to other legislation that would have created new mandates on employers.

HB 1027: Sales Tax Destination Sourcing Rules Exception
Sponsors: Reps. Kipp & Van Winkle; Senator Bridges & Woodward
Position: Support
Bill Status: **Signed by the Governor on January 31, 2022**

Chamber Analysis:

- This bill allows small retailers (less than \$100,000 in retail sales) to continue sourcing sales to their Colorado business location when collecting and remitting sales and use tax until October 1, 2022, an eight-month extension relative to current law.

HB 1006: Child Care Center Property Tax Exemption
Sponsors: Reps. Roberts & Van Winkle; Senator Donovan & Smallwood
Position: Support
Bill Status: **Passed**

Chamber Analysis:

- This bill expands existing tax exemptions for childcare centers to allow property leased or rented by a tenant to operate a childcare center to be eligible for the property tax exemption.
- Prior to HB 1006, the state constitution provided an exemption from property tax for properties that are solely used for charitable purposes with an exemption for property used as an integral part of a childcare center.



HB 1118: Sales and Use Tax Refunds
Sponsors: Reps. Daugherty; Senator Kolker
Position: Oppose as Introduced / Amend
Bill Status: Signed by the Governor on April 21, 2022

Chamber Analysis:

- Under this bill, if a purchaser files a sales and use tax refund claim between July 1, 2022, and July 1, 2026, interest will accrue on the refund from the date the claim was filed as long as the refund is paid more than 180 days from the date the claim was filed. This reduces the time for interest to accrue as the time period is from when the refund claim is filed rather than the purchase date.
- The bill also creates civil penalties for claims equal to 5% of the total refund claimed if it is materially incomplete and equal to 10% if the claim is duplicated or lacking a reasonable basis in law or in fact.

HB 1039: Sales & Use Tax Exemption Form Simplification
Sponsors: Reps. Kipp & Van Winkle; Senator Bridges & Woodward
Position: Support
Bill Status: Signed by the Governor on March 30, 2022

Chamber Analysis:

- HB 1039 simplifies the process for people seeking exemptions from state and state-collected local sales and use taxes. The bill requires the Department of Revenue to examine its forms and requirements and simplify the forms and related requirements for persons making tax-exempt purchases.

SB 32: Local Sales & Use Tax Administration
Sponsors: Reps. Kipp & Van Winkle; Senator Bridges & Woodward
Position: Support
Bill Status: Signed by the Governor on April 21, 2022

Chamber Analysis:

- SB 32 simplifies and streamlines the imposition, collection, and administration of local sales and use taxes imposed by local taxing jurisdictions on retail sales. The bill requires that the Department of Revenue collect sufficient information from relevant retailers that use the sales and use tax simplification system and make that information available to local taxing jurisdictions to ensure the concerns of local jurisdictions related to efficiency, compliance, and revenue collection are addressed.
- The bill prohibits local taxing jurisdictions from charging a fee for a local general business license to certain retailers and prohibits local taxing jurisdictions from requiring such a retailer to apply separately the jurisdiction for a general business license.



SB 124: SALT Parity Act
Sponsors: Reps. Ortiz & Van Winkle; Senator Woodward & Kolker
Position: Support
Bill Status: Signed by the Governor on May 16, 2022

Chamber Analysis:

- The "SALT Parity Act" was enacted in 2021 and allows pass-through entities to pay state income tax at the entity level, which allows the entity to claim an unlimited deduction at the federal level for state and local taxes paid.
- SB 124 changes the effective date of the SALT Parity Act to the retroactive date of January 1, 2018. The Chamber supported the bill based on tax relief it could potentially bring to taxpayers.

SB 233: TABOR Tax Refunds
Sponsors: Reps. Exum & Daugherty; Senator Hinrichsen & Rodriguez
Position: Amend
Bill Status: Passed

Chamber Analysis:

- If the state exceeds its constitutional spending limit, then it is required by the Taxpayer's Bill of Rights (TABOR) to refund the excess state revenues (TABOR refunds). There are currently three TABOR refund mechanisms: Reimbursement to counties for the senior homestead exemption, a temporary income tax rate reduction, and a sales tax refund.
- SB 233 establishes a temporary fourth refund mechanism for the 2021-22 fiscal year. This mechanism requires the department of revenue to issue refund checks to every qualified taxpayer in an identical amount with some exceptions. The refund is \$400 for single filers and \$800 for joint filers.



BOARD OF DIRECTORS' BILLS

SB 140: Expansion of Experiential Learning Opportunities

Sponsors: Reps. McLachlan; Senator Coleman

Position: Support

Bill Status: **Passed**

Chamber Analysis:

- This bill requires the department of labor and employment, in partnership with other departments, to provide incentives to eligible employers to create high quality work-based learning opportunities for adults and youth.
- The department is required to select at least 2 work-based learning intermediaries under this bill to coordinate employers, schools, youth, and adults participating in the program.
- The department and its partners are also required to create a digital navigation program for the incentive program.
- The Colorado Chamber supported this legislation as a way to address workplace development and take aim at the worker shortage issues that many businesses are facing.

