

## REES CONSULTING END OF SESSION REPORT

The Seventy-Third General Assembly convened Jan. 12, but was anything but normal. COVID was still looming large and legislators, staff and lobbyists contracted the omicron variant and began to work from home contributing to a slow-down in the process. Another factor in the slow-down were the federal dollars to spend. Knowing ARPA dollars were coming the legislature focused on affordable housing, behavioral health and economic recovery during the 2021 interim to determine the best way to invest the funds.

While the session started slowly with members out with COVID, the pandemic slowed and the legislative session logistically operated closer to normal, running for 120 consecutive days. The Democratic trifecta tried to push their agenda of "Saving People Money." With mixed results, the legislature focused on issues including economic recovery, increased mental health resources and affordable housing.

In anticipation of significant federal funding, legislative leadership worked with the executive branch to create several task forces on key issues to study and make recommendations on the allocation of American Rescue Plan Act dollars. The three task forces (Affordable Housing, Behavioral Health and Economic Recovery) convened during the 2021 interim with the expectation that legislation would be brought forward in the 2022 session that followed the guidance set by the federal government.

The "big issue" bills of the session addressed fentanyl, collective bargaining for county employees, a behavioral health package and bills addressing workforce issues. Interestingly, more than 65 percent of committee testimony this year was conducted remotely, according to the Legislative Council Staff.

Again, the promise of no "late" bills was shallow and the legislators faced more than 650 potential pieces of legislation.

Also, this year post-COVID, CRMCA and CSSGA resumed the monthly legislative breakfasts in February. We had representatives from U.S. Senator John Hickenlooper's office, Rep. Mike Lynch from Wellington and Sen. Paul Lundeen from Colorado Springs. With so many members attending remotely for the board meetings, we should revisit the breakfasts' worth. An empty room at 7:15 a.m. is not something legislators want to attend.

CRMCA also resurrected Concrete Day. While the weather was HORRIBLE, the event again was a success with members, staff, troopers, housekeeping and interns singing its praises. This is an event they all look forward to each year.

Rees Consulting thanks the Legislative subcommittee members, Ben Frei, Garret Varra, Matt Noteboom, John Anderson, Tanya Marchiol, Eric Leigh, Jackie Clark and Tod Knudsen for participating and providing insight when able. NRMCA also provided expertise through Tien Peng and Shamim Rashid-Sumar which gives us a perspective of what is happening around the country. We also want to thank Todd Ohlheiser, Annelise Shepherd and Emma Dolan for their expertise and accessibility. Thank you all for your commitment to this process.

Please read on for detailed updates.

**HB22-1282 The Innovative Housing Incentive Program** by Reps. Kyle Mullica (D) and Mike Lynch (R), and Sens. Jeff Bridges (D) and Rob Woodward (R), provided a win for the CRMCA. We were able to amend the bill to include language allowing program eligibility for companies constructing insulating concrete forms with other prefabricated materials used in building affordable housing. The bill has been sent to the governor.

**HB22-1244 Public Protections from Toxic Air Contaminants** sponsored by Reps. Chris Kennedy (D) and Serena Gonzales-Gutierrez (D), and Sen. Julie Gonzales (D). The bill creates a new program in the Department of Public Health and Environment to regulate toxic air contaminants based on adverse health effects. It requires certain sources to submit annual toxic emissions reports and creates a toxic air contaminant monitoring program. It also requires the Air Quality

Control Commission to identify up to five priority toxic air contaminants, establish health-based standards, and adopt emission control regulations. The final version of HB-1244 included an amendment proposed by Sen. Nick Hinrichsen, a Democrat from Pueblo, during a Senate floor debate on Tuesday. The amendment would require legislative approval of the ambient air quality standards proposed by state regulators for certain toxic pollutants. The bill passed both chambers.

**HB22-1355 Producer Responsibility Program for Recycling** sponsored by Rep. Lisa Cutter (D), and Sens. Kevin Priola (R) and Julie Gonzales (D). The bill creates a producer responsibility program to provide recycling services to covered entities in the state. The program will be implemented by a non-profit organization in consultation with a newly-created advisory board and overseen by the Department of Public Health and Environment. During the House debate, the bill was amended to allow producers to submit an individual program plan as an alternative to joining the PRO. The individual plan must comply with the same requirements and describe how the producer will contribute to the "costs of the department in overseeing the program" and how it will "reimburse service providers that provide recycling services for the covered materials." Senate amendments allow the PRO to use up to 5% of the dues it collects for administration but not for dues for employee bonuses; require that at least every three years, starting in 2028, the state will conduct a review of consumer-cost impacts resulting from the program; and clarify that a private service provider is not required to provide recycling services under the program. The bill passed both chambers.

**HB22-1362 Building Greenhouse Gas Emissions** sponsored by Reps. Tracey Bennett (D) and Alex Valdez (D) and Sens. Faith Winter (D) and Chris Hansen (D). As introduced the bill would have made municipalities adopt building codes with high-energy efficiency and low carbon emissions standards by 2025. However, strong opposition from local governments, homebuilders and the business community ensured the adoption of amendments to give more flexibility to cities to select the most appropriate codes and to allow more time to make that decision. The final version of the bill states that new building codes adopted by cities after mid-2023 will have high energy efficiency standards mirroring those in the 2021 IECC, plus standards for making new buildings EV and solar ready. The bill passed both chambers.

**SB22-206 Disaster Preparedness and Recovery Resources** sponsored by Senate President Steve Fenberg (D) and Rep. Judy Amabile (D) was brought forth as a response to the Marshall Fire. The bill as introduced by the Boulder Democrats addressed building codes and created three programs: Disaster Resiliency Rebuilding Program, Sustainability Rebuilding Program and the Office of Climate Preparedness. However, there was much pushback from the cities and counties, home builders and insurance carriers. An amendment was floated to add Wildland Urban Interface language to the bill – something CRMCA supported. Unfortunately, we were alone in our support and Fenberg said the need for the bill was greater than WUI language at this time. When it was all said and done, the legislation created the aforementioned programs and added two more sections the Statewide Fire Dispatch Center and Aerial Firefighting and a Study on Homeowners' Insurance. While disappointing, there are opportunities for change in the future. The bill passed both chambers.

**HB22-1112 Workers' Compensation Injury Notices** by Rep. Daugherty and Sen. Gonzales. 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, authorizes a reduction in compensation to the injured employee for failure to timely notify the employer, and tolls the 4-day period if the employer has failed to post a notice specifying the injured employee's notification deadline. The bill changes the 4-day notice period to a 14-day notice period and repeals the tolling and compensation reduction provisions. Increasing the reporting claim from 4 to 14 days means the adjuster will have more challenges investigating the validity of a work-related injury claim as memories fail and the "trail" grows cold. Adjusters can provide better a claims investigation, evaluation, and handling by receiving the notice of the claim as close to the injury date as possible. The bill was amended with a compromise to move the employer notification to 10 days. The governor signed the bill March 24.

**HB22-1354 Protecting Injured Workers' Mental Health Records** by Reps. Lindsay and Michaelson Jenet and Sen. Winter. The bill amends the Workers' Compensation Act of Colorado to limit the disclosure of records related to a claimant's mental health. The bill also requires a person providing mental health services to a Workers' Compensation claimant to be a licensed mental health provider. The bill was amended to ensure employers can comply with state and federal rules and regulations. The bill has been sent to the governor.

Following are the Interim Committees that will be meeting this legislative interim and the topics they will address. Agendas should be released in the coming weeks.

## **2022 Legislative Interim Committees**

### [Colorado Youth Advisory Council Committee](#)

The committee reviews the work of the Colorado Youth Advisory Council and recommends legislation regarding issues affecting Colorado youth.

### [Early Childhood and School Readiness Legislative Commission](#)

The commission studies issues concerning early childhood and school readiness, including health care, mental health, parental involvement, family support, child care, and early learning.

### [Legislative Interim Committee on School Finance](#)

To study issues related to school finance and consider changes to the Public School Finance Act of 1994. The interim committee must contract with a third-party vendor to complete a study to analyze various methods of measuring student economic disadvantage and how to incorporate those measures into the state's school finance formula.

### [Legislative Oversight Committee Concerning Tax Policy & Task Force](#)

To review and make suggestions on tax policy in the State of Colorado.

### [Pension Review Commission](#)

The commission studies and proposes legislation relating to funding of police officers' and firefighters' pensions in this state and benefit designs of such pension plans. The commission also studies and proposes legislation regarding the Public Employees' Retirement Association.

### [Pension Review Subcommittee](#)

The Pension Review Subcommittee, a subcommittee of the Pension Review Commission, studies and makes recommendations regarding the Public Employees' Retirement Association.

### [Sales and Use Tax Simplification Task Force](#)

The task force studies sales and use tax simplification between the state and local governments, including home rule municipalities, to identify opportunities and challenges within existing fiscal frameworks to adopt innovative revenue-neutral solutions that do not require constitutional amendments or voter approval.

### [Statewide Health Care Review Committee](#)

The committee studies health care issues that affect Colorado residents throughout the state.

### [Transportation Legislation Review Committee](#)

The committee reviews transportation, traffic, and motor vehicle legislation and may consult with experts in the fields of traffic regulation, the licensing of drivers, the registration and titling of motor vehicles, and highway construction and planning.

### [Water Resources Review Committee](#)

The committee studies the conservation, use, development, and financing of the water resources of Colorado for the general welfare of its inhabitants and to reviews and proposes water resources legislation. The committee also is responsible for holding public hearings on the draft Colorado State Water Plan and submitting a summary of the public's and committee's feedback on the plan to the Colorado Water Conservation Board.

### [Wildfire Matters Review Committee](#)

The committee studies wildfire prevention and mitigation.