

COLORADO CREDIT UNIONS

COLORADO 2023 LEGISLATIVE SESSION



The Colorado Legislature is officially over! After 120 long days, legislative followers finally got a break to reflect on the session, and monitor the record number of bills Governor Polis decided to veto.

After considering more than 650 bills of which 473 were signed into law, the legislature adjourned on May 8th with much of the Governor's and Democratic priorities delivered although many were significantly amended along the way. The affordable housing and property tax relief measures were among the last to cross the finish line.

Session
By the
Numbers



120

DAYS OF SESSION



650

BILLS CONSIDERED



473

SIGNED INTO LAW

Supporters of this year's legislative work touted bills passed addressing the cost of living, reproductive healthcare, gun violence, public school investment, and water access. Detractors cited frustration over Democratic majorities passing many bills in a hurried manner, with the House Republicans walking out of the legislative chamber, in an unprecedented move, during the final hours of legislative session. Many reporters also commented on the growing divide between the progressive and more moderate wings of the Democratic legislators, with some progressive priorities failing to pass or requiring major changes in order to secure votes amongst a divided caucus.

A Successful Credit Union Day at the Capitol

It was a wonderful opportunity to host our first Colorado Credit Union Day at the Capitol. We had more than 100 attendees! The day included visits from the Governor of Colorado, Jared Polis, and Chair of the Business Committee Representative Judy Amabile (D-Boulder), and meetings with many State Representatives and Senators. Thank you to everyone who made the significant commitment to attend and connect with your colleagues and local lawmakers. Stay tuned for the 2024 event date soon.





Bills Directly Impacting Credit Unions

Consumer Lending Laws

GoWest negotiated an amendment protecting current consumer lending laws in House Bill 1229. The original bill language would have impacted the terms and interest rates that a lender could charge in a consumer credit transaction and the calculation of the total amount of the finance charge that a lender could contract for and receive including modifying additional charges.



Mike Weissman
D-Aurora

Through good legislative relationships and active advocacy, we were able to modify this bill into one that credit unions supported. This bill shows how strong relationships, effective advocacy and storytelling, and good faith negotiating can positively impact legislation. After we explained to the bill sponsor, Representative Mike Weissman (D-Aurora), the negative impacts the original bill would have on credit unions' ability to provide auto loans and to work with underrepresented communities, he agreed to make the amendments we proposed. He stated that credit unions were the reason that he decided to amend and indicated that he looks forward to working with us on future legislation relating to predatory lending. After the amendments were made, many legislators in the Capitol commented on credit unions' support of the bill and applauded us for our desire to protect consumers and stop predatory lending practices.

Guaranteed Asset Protection (GAP) Agreements

After a long process, GoWest negotiated an amendment relating to the GAP refund process on House Bill 1181. The bill codifies the current rule that oversees the administration of GAP Agreements. The legislation was negotiated with the Guaranteed Asset Protection Alliance and Colorado's Attorney General. The final amendment language allows credit unions a timeline to receive funds from dealers, and explicitly states that credit unions are allowed to ask the auto dealers to pay consumers directly, as long as the credit union makes sure that the consumer is paid.

This bill was a rollercoaster from the beginning, with many heavy hitting players in the Capitol weighing in with diverging viewpoints. Your GoWest team fought hard for positive changes to this bill and in the end negotiated amendments that improve the GAP refund process from its current state, while still not reaching a perfect solution. We will continue to educate and advocate credit unions' position and look for future opportunities to impact GAP legislation.



Your GoWest team fought hard for positive changes to this bill and in the end negotiated amendments that improve the GAP refund process from its current state.

Financial Institution Discrimination Environmental Criteria – Died in committee

SB 26 died in committee after a coalition of impacted stakeholders worked with the bill sponsor to explain the negative impacts the bill would cause businesses in Colorado. The bill prohibited financial institutions that do business in the state from discriminating against any person based on environmental criteria. The bill stated that a financial institution's violation of this prohibition is an unfair or deceptive trade practice. Bills like this have been introduced in many states are often referred to as "Anti-ESG," as they aim to penalize financial institutions for choosing not to do business with a person or company based on environmental criteria by restricting the autonomy of financial institutions and businesses.

Sunset Revised Uniform Law on Notarial Acts

SB 153 allows for an increase in notary public fees, requiring that the Secretary of State (SOS) adopt rules that establish caps for notary fees. The SOS will also adopt rules for the minimum requirements for the use of interpreters and translators in the performance of notarial acts. Finally, the bill repeals obsolete language requiring that a notary include the expiration date of his or her office on certificates of notarial acts.

Bills with the Potential to Impact Operations



Coming Soon

GoWest's Compliance bulletin to help your team understand how to operationalize new legislation

Protecting Opportunities And Workers' Rights Act

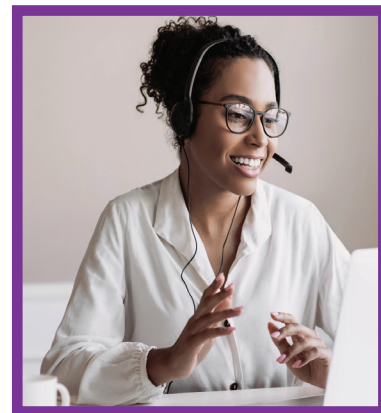
This bill redefines harassment in Colorado's anti-discrimination laws as unwelcome conduct or communication related to an individual's membership in a protected class where submission to the conduct is a condition of the individual's employment, is used as a basis for employment decisions or interferes with the individual's work, or would be objectively offensive to a reasonable person in the same protected class.

The bill was heavily amended by business interests, as the introduced bill had major objections by employers over concerns that business could be liable for harassment that they may have been unaware was occurring or that the procedures laid out would be impractical to implement.

Ensure Equal Pay for Equal Work

The bill makes several changes to state law related to the enforcement of pay equity statutes and the requirements on employers when hiring employees.

Under current law, employers are required to provide notice to all employees about opportunities for promotion and include salary and benefit information when posting a job opening. This bill instead requires employers to provide notice to employees for job opportunities, as defined in the bill, rather than for promotional opportunities, with some exceptions. The bill outlines information that must be included in these notices, including information about salary, wages, benefits and other compensation, and the anticipated date when the application window will close. The bill exempts "career development" and "career progression" from the job posting and employee notification requirements under current law and under the bill. For positions with career progression, the employer must disclose the requirements for career progression to eligible employees, including the terms of compensation, benefits, status, duties, and access to further advancement.



Unemployment Insurance Premiums Allocation Federal Law Compliance

To comply with federal Unemployment Tax Act requirements, the bill reduces employer Unemployment Insurance (UI) premium rates by 10 percent across all rates in the standard premium rate schedule. The reduction is offset by a corresponding increase to a new support surcharge rate. The bill also establishes shares of the support surcharge allocated annually to the Employment Support Fund (ESF), to the Employment and Training Technology Fund, and to the Benefit Recovery Fund.

The bill changes the cap on the amount of money in the ESF at the end of any state fiscal year, from an amount calculated based on a portion of the employer premium plus \$17 million, to a total of \$32.5 million in FY 2023-24. The amount of money in the fund in excess of \$32.5 million that would otherwise be deposited in the ESF is instead diverted to the Unemployment Compensation Fund, commonly referred to as the UI Trust Fund, beginning at the end of FY 2023-24 and each year thereafter, with the cap to be adjusted annually in future fiscal years based on changes in average weekly earnings.

Employer Notice of Income Tax Credits

The bill requires an employer to provide written notice of the availability of the federal and state earned income tax credits and the federal and state child tax credits. An amendment allows these notices to be sent electronically by email or text.



Job Application Fairness Act

Prohibits employers from asking a prospective employee's age, date of birth, or dates of attendance or graduation on an employment application.

Additional Uses Paid Sick Leave

Allows for sick time to be used when caring for a school-age child when schools are closed due to weather or taking time off for a funeral.

Average Weekly Wage Paid Leave Benefits

Current law specifies that a covered individual's weekly paid family and medical leave benefit is determined based on their wages at their current job, excluding recent wages from previous jobs. The bill eliminates the limit on calculating the benefit, allowing the consideration of previous jobs.

Unemployment Compensation Dependent Allowance **Died in committee**

The bill would have created a dependent allowance for each dependent of an individual receiving unemployment insurance compensation. The dependent allowance would have been the lesser of \$35 per dependent per week, adjusted annually for inflation, or the individual's average weekly wage from the highest-earning quarter used to determine benefit amounts.

Fair Work Week Employment Standards – Died in committee

The bill would have created new labor standards and requirements for employers in the food and beverage establishment or manufacturer, and retail establishment sectors related to employee work schedules and wages. The Division of Labor Standards and Statistics (DLSS) in the Colorado Department of Labor and Employment (CDLE) would have been authorized to investigate complaints and aggrieved employees may also bring action in district court.



Bills impacting Housing

The Governor's blockbuster "Land Use" bill – Died on the Senate floor

This 100-page bill would have had major impacts on the affordable housing sector. The measure would have prevented Colorado's largest cities from limiting construction of accessory-dwelling units, duplexes and triplexes and required them to let multifamily units be built near transit centers. The bill would have required the Department of Local Affairs to adopt model codes to increase higher density housing options and to create methodologies for assessing and planning for residential housing needs. Local governments also would have had to adopt the model codes or develop new local zoning and building codes meeting minimum standards. The bill also required that municipal water providers conduct a water loss audit and submit validated audits and mitigation plans to the Department of Natural Resources. Local governments heavily opposed the bill, with more than 50 pages of amendments, and the bill split the Democratic caucus. You can read an interesting post-mortem on the bill [here](#).



Regulate Local Housing Growth Restrictions

The bill prohibits a local government from enforcing or enacting any local housing growth restrictions. Several amendments were added to the bill to further clarify that the language in the bill only applies to arbitrary growth caps and ensures local governments maintain the ability to institute a temporary moratorium on growth or permitting for up to 24 months under certain criteria (changes to land use laws, insufficient resources, code updates). Lastly there was language in the bill added to preserve a local government's ability to deny a permit for any reason.

Affordable Housing Right of First Refusal - Vetoed by Governor Polis

The bill creates a "right of first refusal" (ROFR) for local governments to purchase multi-unit residential properties for long-term affordable housing. Several amendments were added to the bill including adding a five-year sunset, striking the foreclosure language, and increasing the number of units to qualify for ROFR from 5 units in a rural area and 15 in an urban area. Additionally, amendments were added to shorten the timeline for local governments to preserve a right of refusal and remove the mandate for a local government to create a rubric. Even after extensive amendments, Governor Polis decided to **veto this bill**.



Protections For Residential Tenants

This bill prohibits a landlord from using certain financial and rental history information about prospective tenants during the rental application process and places other requirements on landlords concerning rental applications. Specifically, under the bill, a landlord must not inquire about the amount of income, except to verify that it exceeds 200 percent of annual rent if an applicant is not using a housing subsidy. Finally, the bill prohibits landlords from charging a security deposit greater than two months' rent.

Employer Assistance for Home Purchase Tax Credit

Starting in tax year 2024 through tax year 2026, the bill creates a state income tax credit for employers who make a contribution to an employee for purchasing a primary residence. The amount of the credit is 5 percent of an employer's contribution, and is capped at \$5,000 per employee per year and \$500,000 per employer per year. The credit is nonrefundable but may be carried forward for up to five years.

Repeal Prohibition Local Residential Rent Control –Died in committee

The bill would have removed a state prohibition on local government ordinances or regulations that control rent on private residential property. The bill would not have enacted any rent controls directly but proposed to have given cities the power to set their own local rent control or stabilization policies. The legislation would have allowed cities to set a “floor” that allowed rents to increase by at least three percentage points more than the rate of inflation (as calculated by CPI).

Bills impacting Taxes

Reduce Property Taxes and Voter Approved Revenue Change

The bill refers Proposition HH to voters for the November 2023 election. Should Prop. HH pass, assessed valuations for many classes of real property, including certain new subclasses of property (such as non-primary residences), will be reduced. These reductions will remain in place for 10 years requiring the state to back fill lost revenue to local governments paid for by reductions in TABOR refunds to taxpayers. \$20 million in funding will also be provided for rental assistance. This bill and other tax bills frustrated many stakeholders and minority caucus members, as they were introduced at the last minute.



Property Tax Valuation

The bill makes changes to the valuation of property by county assessors. In addition to the methods specified in current law, the bill requires that assessors consider the following when determining a property's actual value: current use; existing zoning or government land use, or environmental regulations and restrictions; multiyear leases or other contractual agreements affecting the use of or income from the property; easements and reservations of record; and covenants, conditions, and restrictions of record. Current law requires that assessors provide to a taxpayer the data used to determine their actual property value upon request. The bill specifies that the primary method and rates used to value the property must be included in that data. It also requires that counties with a population of at least 300,000 use an alternative protest and appeal procedure to handle objections and protests to property valuations, beginning January 1, 2024.



Identical Temporary TABOR Refund

The bill adjusts the mechanisms used to refund the state TABOR refund obligation collected in the current FY 2022-23. If Proposition HH (mentioned above) is approved by voters, then this bill requires any amount that would otherwise be refunded via the six-tier sales tax refund mechanism to instead be refunded on returns for tax year 2023 in equal amounts to all taxpayers who qualify for the six-tier sales tax refund. The Department of Revenue is required to administer this refund mechanism in the same way as the six-tier sales tax refund mechanism is administered under current law.

2023 BUDGET OVERVIEW

On May 1, Governor Polis signed **SB23-214**, the Long Bill, into law. This budget reflects a \$1.2 billion dollar increase over the previous year's budget which is largely a result of the end of the enhanced federal Medicaid match rates. The budget included large increases in K-12 education, housing, workforce development and access to healthcare. Specific investments include:



\$2.3 BILLION

general fund reserve (15 percent) to prepare for the next economic downturn including \$543 million to the State Emergency Reserve to pay for emergencies like wildfires or floods.



\$103 MILLION

for workforce-related legislation including free credentials, math, scholarships, adult education and concurrent enrollment.



\$221 MILLION

for housing related legislation included property tax relief, land use, public private partnerships, implementation of Prop 123.



\$12.6 MILLION

toward the state water plan funding.



\$26 MILLION

to fund the acquisition of a second Firehawk helicopter to combat wildfires.



\$3.2 MILLION

to increase resources for fire investigation, data collection as well as funding for forest restoration.



\$485 MILLION

total state and local funding for public schools.



\$137 MILLION

increase in higher education with a 5 percent cap on tuition increases.



\$3.8 MILLION

funding to implement the Behavioral Health Administration (BHA).



5 PERCENT

across the board increase for state employees, ensuring a \$15 minimum wage for every state employee.



3 PERCENT

across the board rate increase for Medicaid Providers.

Looking Ahead through the Interim

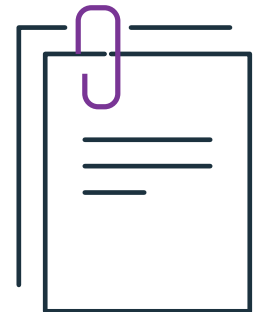
The legislature has given the green light to two new interim committees, one to study Colorado's child welfare system and another to study aligning definitions of recidivism when used as a measurement of criminal justice related program success or failure. There are a number of standing interim committees that will continue to meet:

- The Transportation Legislative Review Committee,
- Water Resources and Agriculture Review Committee
- Legislative Interim Committee on School Finance
- Statewide Health Care Review Committee
- Wildfire Matters Review Committee
- Pension Review Commission
- Colorado Jail Standards Commission
- Sales and Use Tax Simplification Tax Force
- Legislative Interim Committee on Judicial Discipline
- Statewide Health Care Review Committee
- Legislative Oversight Committee Concerning Tax Policy
- Task Force Treatment of Person with Behavioral Health Disorders in the Criminal and Juvenile Justice Systems.

One of the most significant conversations that will occur over the interim will be around the state budget. While the economy continues to thrive in many parts of Colorado, the varying Constitutional requirements impacting the budget continue to drive greater spending on K-12 education while TABOR restricts the state's ability to keep excess revenue. With the passage of SB23-303, Proposition HH will be on the November 2023 ballot for voters to consider. Should Prop. HH pass, assessed valuations for many classes of real property, including certain new subclasses of property (such as non-primary residences), will be reduced. These reductions will remain in place for 10 years requiring the state to backfill lost revenue to local governments paid for by reductions in TABOR refunds to taxpayers. \$20 million in funding will also be provided for rental assistance.

BALLOT INITIATIVES FILED

- **Initiative 3**
Fee for Attainable Housing Fund Initiative
- **Initiative 21**
Limitation on Property Tax Increases
- **Initiative 35, 36**
Limitation on Increases in Property Tax Revenue
- **Initiative 37, 38**
Limitation on Annual Increases in Actual Value of Certain Properties
- **Initiative 39, 40**
Authorization to Retain Excess State Revenue
- **Initiative 41, 42**
Reduction in Assessment Rates for Certain Properties



Legislator Spotlight

Your GoWest Team is always looking to build relationships with credit union champions. This session, we worked closely with the following legislators, among many others, and look forward to continuing a great relationship with them.



Majority Leader
Dominick Moreno

Moreno is the Majority Leader in the Senate, a top leader who is always willing to meet with credit unions and hear our concerns.

[OFFICIAL SITE](#)

[CAMPAIGN SITE](#)



Senator
Kyle Mullica

Sen. Mullica is a champion for credit unions at the Capitol and assisted us in our negotiations regarding GAP legislation in 2023. He has also run credit union legislation in the past.

[OFFICIAL SITE](#)

[CAMPAIGN SITE](#)



Representative
Judy Amabile

Rep. Judy Amabile is the Chair of the House Business committee and was the keynote speaker at this year's Credit Union Day at the Capitol. She is a credit union champion who consistently engages with GoWest and her local credit unions. She recently announced her intention to run for the State Senate.

[OFFICIAL SITE](#)

[CAMPAIGN SITE](#)



Representative
William Lindstedt

A new member, Rep. Lindstedt has expressed interest in working with credit unions in the Capitol. A highly effective legislator, Rep. Lindstedt works across the aisle to pass difficult bills using effective stake holding.

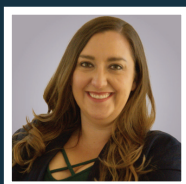
[OFFICIAL SITE](#)

[CAMPAIGN SITE](#)

Thank You

Thank you for your engagement in advocacy during the Colorado legislative session this year. During the interim we will continue to develop relationships and advocate for credit unions by reaching out to legislators – please help us in this effort by inviting your local elected officials to events at your credit union this summer and by participating in the Key Contact program and the Government Affairs Committee.

Please always feel free to reach out to me directly with any questions, and thank you for your participation and engagement in the important work of credit union advocacy.



Katie March
VP, Legislative Affairs for Colorado
970-310-6591
kmarch@gowest.org



COLORADO CREDIT UNIONS