

Colorado Legislative Update - December

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Insight — December 12, 2012

The Colorado General Assembly goes into session on January 9, 2013. For the first time since 2010, Democrats will control the Governor's office and both chambers of the legislature. Our clients have asked how this could impact their business in Colorado. In general, we anticipate a higher volume of bills being introduced that affect Colorado's businesses and the potential for specific legislation having a significant impact on certain industry sectors.

Please do not hesitate to contact a member of Holland & Hart's Colorado Governmental Affairs practice group if we can answer specific questions. Holland & Hart provides clients with a full range of legislative and regulatory services in Colorado which includes establishing a legislative strategy, lobbying specific legislation and multi-state legislative and regulatory monitoring.

2013 Legislative Preview - Bills will not be formally introduced until the start of the legislative session but we anticipate legislation in the following areas that would impact Colorado business community:

Topic	Potential Issues for Legislation
Energy	Increase the distance of oil and gas development setbacks in urban and rural areas.
Energy	Add additional COGCC well inspectors and increase yearly inspections.
Energy	Increase state's Renewable Energy Standard policy beyond the current requirement of 30% by 2020.
Telecom	Create a broadband fund to expand broadband infrastructure to rural parts of the state, possibly funded with the High Cost Fund.
Telecom	Statutory certification that the PUC does not have authority over VOIP.
Eco-Devo	Modify or repeal the ability to create Enterprise Zone

	designations and associated tax credits.
Healthcare	Referred ballot initiative to create a single payer style health care system funded by the state through payroll taxes.
Healthcare	Create public hearing process when proposed private health insurance rate hikes affect a large number of people.
Banking	Notifications and servicing requirements for the transfer of a modified mortgage as required by the National Mortgage Settlement to be put into statute.
Water	Changes regarding when water rights need to be established for new residential developments.

2012 Bills that Likely will be Re-Introduced - Colorado businesses should be aware of specific legislation that failed in 2012 due to a lack of Republican members support. Chances for these pieces of legislation being reintroduced under the Democrat controlled legislature are high.

Topic	Bill #	Summary
Energy	HB12-1277	Clarified that oil and gas operators are subject to local government zoning, land use authority, and regulations as well as the COGCC.
Eco-Devo	HB12-1260	Cap on the amount of income tax credit that may be claimed from an enterprise zone investment.
Business	SB12-001	"Hiring Coloradans First Act," would have granted up to a 5-percent preference to bidders for construction or services contracts costing more than \$1 million.
Business	HB12-1134	Prohibited employers from advertising for any job vacancy if the advertisement included a requirement for applicants to be currently employed.
Insurance	HB12-1057	New rules for homeowner's insurance regarding replacement costs and increased policy requirements. Driven by wildfire damage.
Telecom	SB-157	Omnibus telecom reform bill to modernize telecom laws. Made changes to the High Cost Fund and subsidies to rural areas.

The non-partisan staff of the legislature, Legislative Council creates a

detailed annual summary of all major legislation by issue area.

Colorado Budget- A few quick facts on Colorado's population and budget help frame the legislature's priorities and capabilities. Since the beginning of the decade, Colorado's population has increased 14.8% but during the same time, its K-12 population grew by 18%; higher ed enrollment grew by 35%; the prison population grew by 34%; and Medicaid recipients grew by 130%. The state's budget has grown by 14%. 95% of the state's general fund budget goes to fund these high growth areas. The 2012-13 Budget in Brief provides a good overview of the state budget.

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