2020 Legislative Session Report
About the report

• Special thanks to:
  • Aponté and Busam (www.aponte-busam.com) for Capitol representation
  • Public Policy Committee for invaluable guidance throughout the 2020 CO legislative.

• Summaries of bills based on information provided by the offices of Colorado Legislative Council and Legislative Legal Services.
Note about the COVID-19 pandemic

• Governor and Mayors issued orders in March 2020 requiring Coloradans to “stay-at-home” unless buying groceries, seeking medical care, or exercising outdoors, etc.

• Most businesses required to close doors to the public

• Triggered economic downturn, increased unemployment, and state budget shortfall
Note about the COVID-19 pandemic

• Legislative session runs for 120 days between January and May
• Session paused in mid-March due to pandemic; resumed from mid-May to mid-June
• Legislators reduced budget by a record $3.3 billion to address the shortfall
• Many bills increasing state expenditures or reducing revenues died
• New bills in May to address COVID-19 and spend federal relief funds
Highlights

1. COVID-19 relief grants and loans for small employers in 2020
2. Food donation incentives- 2020 grants & reduced liability for donors
3. Bingo/raffle ballot measure to allow charities to pay game workers and obtain licenses three years after formation
4. Rural job creation- more support for public/nonprofit partnerships
5. Policing reforms and death penalty repeal
6. Health reinsurance program financing
7. Retirement savings plan and minimum paid sick leave standards
Highlights

8. Unemployment insurance benefit changes for employers and employees
9. Property tax assessment (Gallagher amendment repeal) ballot measure
10. Repealed tax breaks to fund K-12 schools and the Earned Income Tax Credit
11. Sales tax task force renewal and new tax expenditure performance measures
12. Delay of 2020 transportation bonding measure
Charitable giving, grants, and loans

Homeless Contribution Tax Credit (HCTC) (HB 20-1335)- Died

What the bill does:
• Repeals part of Enterprise Zone (EZ) credit for donating to nonprofits serving people experiencing homelessness
• Replaces EZ credit with statewide HCTC
• HCTC supports broader continuum of services; not limited to just job creation/retention
• Moves program to Div. of Housing from Office of Economic Development

Our view:
• We supported HB 1335 to improve upon the existing credit by increasing the number of eligible service providers and expanding the types of services supported by the credit
Charitable giving, grants, and loans

Small Businesses Grant Program (SB 20-222) - Governor signed

What the bill does:

• Grants $15,000 per small business (less than 25 employees), $20 million max, from federal COVID-19 relief funds for small biz. recovery
• $5 million earmarked for tourism businesses prior to Oct. 1, 2020
• Preference for businesses that did not qualify for a Paycheck Protection Program loan, majority-owned by veterans, women, or minorities, or located in a rural area

Our view:

• We supported SB 222 because it increases funding available to help nonprofits and small businesses impacted by COVID-19
Charitable giving, grants, and loans

Small Business Recovery Loan Program (HB 20-1413)-Governor signed

What the bill does:

• Uses private investment to create a small biz. loan program for COVID-19 relief
• Businesses must have between 2 and 100 employees, 2 years of positive cash flow, and a 1:1 debt-service coverage ratio before the pandemic
• Offers loans of $30,000 to $500,000, 5-yr. maturity, & 3% interest rate
• Loans allocated per county based on population & small business share
• Funded by premium tax credit certificates sold to insurance companies

Our view:

• We have no position on HB 1413 as nonprofit eligibility is subject to a decision by the loan advisory board created by the bill
Charitable giving, grants, and loans

Limit liability for food donations (SB 20-090)- Governor signed

What the bill does:

• Limits civil/criminal liability for donations of apparently wholesome food
• Encourages donations from retail establishments, school districts, and correctional facilities

Our view:

• We support SB 090 because it encourages establishments to donate wholesome food that might go to waste otherwise.
Charitable giving, grants, and loans

Food Pantry Assistance Grants (HB 20-1422)- Governor signed

What the bill does:

- Uses $500,000 of federal CARES Act funds
- Makes grants between $2.5K and $25K available in 2020 to help food pantries/banks to purchase food and CO agricultural products

Our view:

- We have no position on HB 1422 as it was introduced late in the session with little time to evaluate it.
Charitable giving, grants, and loans

Charitable bingo/raffles (HCR 20-1001)- On Nov. 2020 ballot

What the bill does:

• Refers a measure to the Nov. 2020 ballot to amend the constitution:
  • Charities must exist for 3 years, rather than 5, before being eligible for a bingo/raffles license
  • Paying game workers no longer prohibited; they can be paid minimum wage

Our view:

• We support HCR 20-1001 because it allows nonprofits to obtain licenses earlier in their lifecycle, and pay wages if needed to retain games’ workers
Charitable giving, grants, and loans

Rural Economic Development Initiative (SB 20-002) - Governor signed

What the bill does:

• Creates the REDI grant program for projects that create/retain jobs in rural communities in response to a significant economic event
• Local governments, or organizations or individuals working in partnership with a local government, are eligible

Our view:

• We supported SB 002 to provide more support for partnerships between nonprofits and governments to create jobs
Civil rights

Enhance Law Enforcement Integrity (SB 20-217)

What the bill does:

• Increases transparency by requiring demographic data collection and use of body cameras during public encounters
• Removes qualified immunity from officers, and
• Penalizes unnecessary use of lethal force

Our view:

• We support SB 217 because prohibiting excessive use of force and enacting meaningful accountability for law enforcement officers are significant steps toward dismantling systemic racism. Nonprofits must act for racial justice or the work of the nonprofit sector will be in vain.
Civil rights

Repeal death penalty (SB 20-100)- Governor signed

*What the bill does:*

- Repeals the death penalty in Colorado for offenses charged on or after July 1, 2020

*Our view:*

- We did not take a position on SB 20-100. Determining a position would have been challenging with nonprofits firmly on both sides of this issue.
Health Care

Health Insurance Affordability Enterprise (SB 20-215)- Governor signed

What the bill does:

• Creates the Health Insurance Affordability Enterprise to collect fees on insurance carriers’ premiums (1.15% nonprofit/2% for profit) and hospitals (up to $20 million)

• Funds support the state reinsurance program, allowing carriers to transfer part of their risk to other carriers, reduce high cost claims, and allow lower premiums for some consumers.

• Funds also support paying carriers to reduce premiums for individuals receiving federal tax credit, subsidizing plans purchased by low-income individuals, and paying for consumer enrollment outreach, and education

Our view: We have no position on SB 215. The bill will primarily impact individual health plans rather than the group plans typically purchased by nonprofits
Human capital

Secure Savings Plan Implementation (SB 20-200) – Governor signed

What the bill does:
- Creates a secure savings fund and Governor-appointed oversight board
- Establishes an auto-enrollment payroll deduction Individual Retirement Account
- Employees may adjust the percentage deducted from each paycheck or opt out
- Employers that offer a retirement plan to employees may seek an exemption
- Applies to businesses and nonprofits with 5 or more employees

Our view:
- We support SB 200 because it makes retirement savings available to nonprofit employees who lack access to a retirement savings plan at work
Human capital

Paid sick leave (SB 20-205) – Governor signed

What it does:

• Requires employers to provide at least 80 hours of paid sick leave at 2/3s the employee’s rate of pay during the COVID-19 pandemic
• Phases in a requirement for employers to provide at least 48 hours of paid sick leave to employees starting in 2021

Our view: We support SB 205 because all employees should be able to take a few days off with pay each year to avoid going to work sick and infecting others
Unemployment compensation (SB 20-207) – Governor signed

What the bill does:

• Wages subject to employer premiums increased annually to $30,600 by 2026 ($11,700 now)

• No employer solvency surcharge & increased weekly benefit amount deducted for 2021 & 2022 (increased from 25% to 50%)

• Reduces premiums the next year by up to 15% if CO unemployment reserve ratio is 1.04% or greater as of June 30

• Unemployment caused by a public health emergency must be considered when calculating benefits

Our view: We have no position on SB 207 as it was amended late in the session. 207 does affect costs for employers and benefit eligibility for past employees.
Taxes

Repeal Property Tax Assessment Rates (SCR 20-001)- On ballot

*What the bill does:*

• Refers a constitutional amendment to the Nov. 2020 ballot
• Freezes property tax assessment rates at 7.15% for residential property and 29% for non-residential property
• Eliminates the requirement to periodically adjust the residential property assessment rate in order to maintain a 45% residential/55% non-residential assessment ratio

*Our position:*

• We support SCR 20-001 because tax revenues for local K-12 schools, fire departments, and health districts will otherwise decrease drastically in the future due to economic conditions
Taxes

Adjust Tax Expenditures for State Education Fund (HB 20-1420)

What the bill does:

- Transfers $113M to the State Education Fund in '20-21 and $23M in '21-22
- Increases state EITC to 15% of the federal EITC in 2023
- Makes Individual Taxpayer Identification Number (ITIN) filers eligible for EITC
- Stops certain federal tax expenditures from the CARES Act and Tax Cuts and Jobs Act from also applying to businesses’ CO taxable income and losses

Our view:

- We support HB 1420 because it increases funding for public schools and expansion of the earned income tax credit (EITC) expansion
Taxes

Sales tax simplification task force (HB 20-1022)- Governor signed

What the bill does:

• Extends the task force for 5 additional years
• Expands the list of topics for the task force to discuss
• Suspends meetings in 2020 due to the COVID-19 pandemic

Our view:

• We support HB 1022 because the task force will review sales tax collection by nonprofits
Taxes

Tax expenditure bill requirements (SB 20-021)- Governor signed

What the bill does:

• Requires all state bills creating a new tax expenditure, or extending one, to include a tax preference performance statement, adequate information to measure effectiveness, and a repeal date

Our view:

• We did not take a position on SB 20-021. The bill establishes reasonable performance measurement standards for tax expenditures. Providing adequate justification for establishing a new tax expenditure, or continuing an existing one, will be more challenging to achieve.
Transportation funding (HB 20-1376)- Governor signed

What the bill does:

• Cancels required $12 million transfers from the general fund to the state highway fund for 2021 and 2022 and defers a 2020 transportation bonding ballot measure until 2021.

• If the 2021 ballot measure is approved, the bill authorizes issuance of nearly $1.4 billion in bonds and increased general fund monies ($79.5 million per year through 2040 instead of $50 million)

• The ballot measure requires that 85% of revenue for the state highway fund/15% multimodal transportation and at least 25% of proceeds must be spent in counties with 50,000 or fewer people

Our view:

• We have no position on HB 1376. The bill should provide increased funding for transportation subject to voter approval and reduces present transportation funding obligations to address the budget shortfall.
Key bills that may return in future years

• Expanding child care contribution credit to child advocacy and youth homeless shelters (HB 20-1112)
• Creating an index of unused government properties to rent or buy (HB 20-1138)
• Transparency requirements for prescription drugs (HB 20-1160)
• Remove statute of limitations for sexual offenses against children (HB 20-1296)
• Public health insurance option (HB 20-1349)
• Tax policy legislative oversight committee and commission (SB 20-019)
• Conservation easement working group recommendations (SB 20-135)
Mark Turner (he/him/his)
Senior Director of Public Policy
(303) 813-4203
mturner@coloradononprofits.org