



Justifications: Master Document

Updated: 4/15/11

Support:

HB11-1072 Designated Rep Of Initiative Proponents/MCNULTY—MORSE (Support 1/18/11)

Each year at the ballot box, Colorado voters are asked to make decisions about issues of key importance to the state's future. The Denver Metro Chamber believes that ensuring the process components of Colorado's initiative system are sound – and that it include transparency, integrity and accountability – is critical.

Key provisions of the legislation include:

- Individuals (known as *designated representatives*) who file a proposed statewide initiated ballot measure with the Title Board will be required to review a summary prepared by the Colorado Secretary of State outlining the responsibilities and legal requirements of serving in such capacity and to sign an affidavit stating they understand their role. Failure to comply would prohibit the Title Board from moving a proposed measure forward.
- *Designated representatives* will be required to personally interact with the Secretary of State's Office regarding the filing of the petition template proposed to be used for signature collection and in returning the completed signature collection forms when complete.
- *Designated representatives* will be responsible for filing a report with the Secretary of State's Office within 10 days of filing signature petitions for validation that includes any and all expenditures made related to efforts to secure a place for their measure on the statewide ballot. Should concerns exist regarding the validity of the report, any registered Colorado voter has 10 days to submit a written complaint outlining an alleged violation. *Designated representatives* have an additional 10 days to cure. Should they choose not to do so, legal proceedings will occur. Court awarded penalties could be equal to three times the amount of any omitted or erroneous expenditure and, in some cases, attorney fees and costs would be available.

***HB11-1106 Recover Actual Damages Personal Injury/GARDNER B.—NONE
(Support 1/25/11)(PI'd 3/29/11)***

The Chamber supported this legislation because it protected health care providers from unreasonable claims in personal injury lawsuits. This legislation set aside the Colorado Supreme Court ruling in *VOLUNTEERS OF AMERICA V. GARDENSWARTZ*, 242 P.3d 1080 (2010). The Chamber is concerned that this ruling could set a precedent that allows claim amounts to skyrocket.

This legislation would have returned Colorado to the legal standard that requires recoverable damages to only include the amounts actually paid to health care providers, or to those amounts customarily paid if all services have not been received by the claimant.

***HB11-1117 Subpoena ALJ Campaign Finance/MCCANN—KING S.
(Support 2/8/11)(Signed by Gov. 3/21/11)***

This bill required individuals administratively subpoenaed for campaign finance allegations to comply with the subpoena. The subpoenaed witness must show just cause for non-compliance or possibly face an arrest warrant, remedial and punitive fines and/or other sanctions imposed by the District Court.

The Chamber supported this bill because it requires individuals to be present to hear charges about campaign finance mismanagement in which those individuals are, or were, authorized to have financial responsibility or knowledge. Under current law, administrative judges cannot impose sanctions for those who do not respond to administrative subpoenas.

***HB11-1210 Require CDOT 1-70 Mountain Corridor Recommendations/HAMNER—
NICHOLSON
(Support 2/15/11)(Signed by Gov. 3/30/11)***

The bill required the Colorado Department of Transportation (CDOT) to make prioritized recommendations to the Transportation Committees of the General Assembly by February 15, 2012, regarding actions that can be taken before July 1, 2017, to improve the mobility in the Interstate 70 mountain corridor. The bill required CDOT to provide a funding estimate for each recommendation and include the available or potential sources of such funding.

The Chamber recognizes the widespread impacts the 1-70 mountain corridor have on the Colorado tourism industry, as well as on local residents, businesses and local governments. The Chamber was an active participant of the 1-70 Collaborative Effort (CE), a group representing various corridor stakeholders charged with reviewing transportation solutions for the I-70 Mountain Corridor. The CE approved a timeline and process for a multi-modal transportation solution for the I-70 Mountain Corridor in June 2008, which, based on proven needs, included both transit and highway improvements. In addition, the Chamber published a white paper, [The Impact of 1-70 Congestion on Colorado – Denver to Grand Junction \(2007\)](#), which found that the cost of doing nothing on 1-70 is \$839 million annually. The Chamber supported HB11 – 1210 as

a logical continuation of progress toward addressing the safety, maintenance, capacity and congestion concerns on the 1-70 corridor.

**HB11-1263 Business Personal Property Tax Exemption/PRIOLA- SCHEFFEL
(Support 3/23/11)**

Under current law, the amount of the exemption from property tax for business personal property listed on a single schedule is \$5,500 for the current cycle, \$7,000 for the next and an inflation-adjusted amount for each subsequent cycle. HB11-1263 would increase the exemption level to \$14,000 for tax years 2013 and 2014, which in turn would increase the future inflation-adjusted amount of the exemption. The bill also caps a portion of the business personal property tax liability of a state-assessed public utility at the actual value of the operating property for the 2010 property tax year, plus an annual growth factor.

Consistent with its positions on SB11-026 earlier in the session, the Chamber views the state's current business personal property tax system as a tax on success and productivity, and is generally supportive of systematic reform of that portion of the tax code. This specific legislation also lessens the tax burden for state-assessed entities, freeing up resources for investment in infrastructure that benefits all Coloradans. Both the reduced tax burden and the potential improvements to infrastructure are seen as beneficial in attracting and retaining jobs in Colorado; therefore, the Chamber supports this bill.

**HB11-1265 Sales & Use Tax Refund Claims/STEPHENS—JOHNSTON
(Support 3/1/11)**

Under current law, a claim for a refund of a sales or use tax by the taxpayer at the point of purchase must be made by the taxpayer within three years or 60 days of purchase, if there is a dispute between a vendor and the taxpayer. The bill ensures that a taxpayer may claim a refund of a disputed sales or use tax to be in conformity with other sales and use tax refunds and also allows a vendor to submit a claim on behalf of a purchaser.

The Chamber believes this legislation clarifies the sales and use tax refund process of the Department of Revenue by making the period for all disputed sales and use tax refunds three years. This will eliminate confusion of the process and allow an adequate amount of time for the taxpayer to file a dispute; therefore, the Chamber supports this bill.

**HB11 - 1288 Unemployment Insurance Solvency Reform/ LISTON-MORSE
(Support 3/24/11)**

The bill makes the following changes to the financing of the unemployment compensation system:

- Increases the taxable wage base from the first \$10,000 to the first \$11,000 in calendar year 2012. Beginning in the first year after solvency of the unemployment compensation system, estimated to be 2014, the taxable wage base will be indexed

annually to the percentage change in the state's unemployment insurance average weekly earnings.

- In the first year after solvency is achieved, consolidates two of the three current assessments (base premium and socialized surcharge) and part of the third (solvency surcharge) into one combined premium and a new solvency surcharge.
- In the first year after solvency is achieved, applies the consolidated premium to a new rate schedule based on employer experience and the balance of the unemployment compensation fund. Reduces the experience component of the new schedule from 50 to 26 intervals. The top and bottom experience factors remain intact and the two new employer standard rates are consolidated into one. Creates new unemployment compensation system fund balance intervals, adjusted annually based on a 1.4 percent solvency standard. Throughout the rate schedule, the stable and proportional increases in rates occur as the unemployment compensation system fund balance is reduced, thereby allowing the unemployment compensation system to generate more revenue during solvency and reducing the burden to employers during insolvency, which usually occurs in difficult economic times for employers.
- In the first calendar year after solvency is achieved, puts in place a premium credit based on a 1.6 percent solvency standard for employers with a positive experience history and that have paid more into the unemployment compensation system than was charged in benefits during the calendar year in which the 1.6 percent solvency standard is exceeded.
- Requires annual reports to the general assembly on the status of the unemployment compensation fund.
- Clarifies provisions relating to fraud and overpayments to claimants and requires notice to claimants of penalties for fraud and overpayments.

The Colorado Unemployment Insurance (UI) Trust Fund is currently insolvent, owing approximately \$500 million to the Federal UI program. This insolvency was caused by an inadequate funding formula that has been in statute since 1992, which does not reflect the current size of Colorado's economy and the impact of the recession. This bill will assist with repaying the federal loan Colorado utilized to pay benefits before mandated penalties begin. It will also construct a new Unemployment Insurance Trust Fund Rate Chart that reflects the growth and size of the Colorado economy and plans for adequate reserves. This proposal will ultimately provide more predictability for Colorado's businesses; therefore, the Chamber supports the legislation.

HB11-1290 Deferred Dep Loans Nonrefund Orig Fee/LISTON & ... - Heath (Support 3/29/11)

In 2010 state legislation passed, HB10-1351, which modified how lenders are permitted to issue short term consumer loans, creating a six-month consumer installment product in place of payday loans. As the final rules were promulgated an inconsistency regarding the loan origination fees treatment and the legislative intent of an amendment specific to that issue emerged. HB11-1290 addresses that inconsistency by stating that the origination fee for a loan is not refundable, even if the loan is prepaid prior to the maturity of the loan term, which was the original intent.

The Chamber supports HB11-1290, which conforms with the intent of the legislation passed last year, and ensures this regulated financial service and lending option exists for interested customers.

***SB11-026 New Business Personal Property Tax Exemption/SCHEFFEL—HOLBERT
(Support 2/8/11)(PI'd 2/17/11)***

This bill would have exempted from property tax an increasing percentage of all business personal property.

The exemption percentages would have increased according to a determined schedule over the course the next eight years in two-year, 25 percent increments, starting in 2013. Under this schedule, new business personal property would have been fully exempted after January 1, 2019. Additionally, the bill would have established a cap for taxes on key centrally assessed utilities.

The Chamber believes the state's current business personal property tax system is a tax on success and productivity. The organization supported SB11-026 because it provided certainty and predictability regarding tax policy, which helps foster a stronger business climate that can lead to business growth and expansion.

***SB-038 Prohibit Employee Partnerships/MITCHELL—NONE
(SUPPORT 1/25/11)(PI'd 2/7/11)***

In 2007, Governor Ritter signed an Executive Order creating Employee Partnership Agreements. The Chamber opposed this action and remains concerned that such agreements tilt the delicate balance Colorado currently enjoys between labor and management.

This legislation would have prohibited the Executive Branch of government from negotiating to create Employee Partnership Agreements. Further, it would have prohibited the Director of the Department of Labor from becoming the exclusive representative, representing or acting as the agent of any employee organization. Because the business community did not support the Executive Order, and private sector dollars are the primary source of funding for the Department of Labor - not General Fund taxpayer dollars - the Chamber supported this legislation.

***SB11-041 Efficiencies In State Executive Depts/KOPP—None
(Support 1/25/11)***

This bill would create a task force to review state executive branch departments and make recommendations to identify redundancies, abuse, fraud and cost savings, as well as to specify other efficiency measures.

In 2010, the Chamber supported a similar proposal which would have encouraged the Governor to pursue a number of efficiencies in state government by requiring review and recommendations for cost savings. That measure failed.

The Chamber supports pursuit of greater effectiveness within government by utilizing practices routinely observed in the private sector, including consolidation and elimination of redundancies.

**SB11-045 Streamline Elec Powerline Siting/JOHNSTON—LEVY
(Support 3/1/11)**

This bill, as amended in the Senate Agriculture, Natural Resources and Energy Committee, would create a task force to study the current process of siting and permitting electric utility lines in Colorado, consider reforms to better the system, and make recommendations by December 1, 2011 to the governor and the General Assembly on opportunities to improve the process. The task force of 16 would be composed of key stakeholders, appointed by the governor, legislative leadership and local and county associations engaged in the issue.

Under the current electric utility permitting and siting process, any action can take years, which ultimately slows economic development opportunities across the state.

The Chamber supports the bill, as amended, as it creates a collaborative and inclusive process focused on investigating how best to approach timely and efficient siting of power lines, which are critical to the continued development of Colorado's statewide economy.

**SB11-047 Bioscience Clean Tech Reinvestment/HEATH--GEROU and REISBERG
(Support 1/25/11)**

This bill states that for a period of 10 years beginning with the 2013-14 fiscal year, the state treasurer shall transfer an amount equal to 50 percent of bioscience and clean technology income tax withholding growth to the bioscience discovery evaluation cash fund and the clean technology discovery evaluation cash fund, with each fund receiving an equal share. Moneys from these funds are used to provide grants related to the bioscience and clean technology industries.

The Chamber has long acknowledged the value of these important industries to the overall vitality of the economy of our state. It is also committed to supporting funding mechanisms that stimulate research and development in those industries, and thus supports this legislation.

Further, the Chamber believes this legislation's utilization of demonstrated new growth in tax withholdings—as opposed to existing withholdings—and has observed the considerable success of a similar project in the neighboring state of Utah. The Chamber is confident this bill will further encourage progress grow business in these key industry clusters.

**SB11-089 Sunset DOR Letter Rulings/JAHN— BEEZLEY
(Support 2/8/11)**

Currently, if asked, the Department of Revenue (DOR) will issue a written determination regarding the tax consequences of a transaction in the form of a general information letter (GIL) or private letter ruling (PLR.) Without this legislation, such issuances are set to discontinue on July 1, 2011.

The Chamber supports this legislation as it believes such letters provide significant value to businesses in the form of increased ability to accurately forecast the tax burden that originates from a particular transaction, and thus contributes to certainty, stability and predictability for Colorado businesses.

**SB11-111 Educational Success Task Force/KING–MASSEY
(Support 3/1/11)**

This bill creates an Educational Success Task Force to be housed in the Colorado Department of Education. Composed of legislators appointed by the General Assembly, parents, the business community and members of the education community, the task force will conduct a study and make recommendations by July 1, 2012 to education policy makers concerning strategies to combat the need for remediation.

The Chamber supports this legislation and believes it takes key steps to identify how to ensure better academic outcomes for Colorado's students and for the taxpayers funding their education. Today, 52 percent of Colorado high school graduates who enter college require remediation to be successful. Public funds are drawn upon to pay for remediation for students whose educational experience did not adequately prepare them for post-secondary coursework. Because taxes fund our public schools and many of our colleges and universities, Colorado residents are effectively paying twice to educate students a second time.

Education is a pillar of focus for the Denver Metro Chamber, as business is the end user of our education system—today's students are tomorrow's workforce. It is paramount to ensure that our school system produce students who possess the critical skills they need to succeed in an advanced and globally competitive workforce.

***SB11-167 Efficiencies in State Regulatory System/KOPP
(Support 2/15/11)(PI'd 4/19/11)***

This bill would have required the Committee on Legal Services (COLS) to appoint a bipartisan Task Force, consisting of twelve members from both the private and public sector, to review the state's regulatory system and report on the effectiveness of current regulations and potential streamlining and cost-saving opportunities. The COLS Task Force would have reported on its findings by August 6, 2012, at which time they would have been reviewed and forwarded on to the General Assembly.

The Chamber supports the pursuit of a more efficient state regulatory system. The private sector participates in such evaluations regularly, and embraces the utilization of private industry participation on the task force to explore opportunities for efficiencies in the public sector.

**SB11-184 Tax Reporting/STEADMAN-FERRANDINO
(Oppose 3/15/11; Support as amended 4/12/11)**

As originally proposed, this bill requires the Department of Revenue to conduct a tax amnesty program and requires the department to prepare an annual tax expenditure report to be presented to the finance committees of the House of Representatives and the Senate. The tax expenditure

report was to include information for every state tax and federal income tax regarding each tax expenditure, such as estimates of the decrease on state revenue for the current year and the next three tax years, the effect on the distribution of the tax burden by income class and industry or business class and the effect on the distribution of income. The bill also requires that legislation in 2012 or thereafter that creates or extends a tax expenditure must include a legislative declaration stating the intended purpose of the tax expenditure.

As amended, the bill requires the Department of Revenue to instead conduct a biannual tax profile and expenditure report beginning on January 1, 2013, and present the report to the finance committees of the House of Representatives and the Senate. The tax expenditure report is still to include information for every state tax and federal income tax regarding each tax expenditure; however, it has been modified to require only the total impact on state revenue for the most recent year for which data is available and must include only the effect on the distribution of the tax burden by income class. This data will mirror the information in the *Colorado Tax Profile Study* in 2001.

The Denver Metro Chamber of Commerce sees the merits of the tax amnesty provisions outlined in SB-184; however, the Chamber had concerns with the tax expenditure reporting requirements of this bill, which were also included in HB11-1104, a bill that the organization opposed earlier in the session.

The Chamber is on the record in support of a detailed and in-depth analysis of all Colorado credits and exemptions, as that information was lacking during the legislative debate last year regarding the removal or time-out of such measures utilized by Colorado businesses. (See Sept. 29, 2009, [letter](#) to legislative leadership and Governor Bill Ritter).

While we still believe this legislation lacks clarity regarding how the information will be utilized and have remaining concerns that the bill continues to focus only on the cost of these measures and not the benefits - which would provide a full picture of their impact on the state and its citizens - the bill as amended is a step in the right direction toward the ultimate goal of gaining more detailed information around tax policy. The Chamber supports this ultimate goal and, therefore, now supports SB11-184.

SB11 - 200 Health Benefit Exchange/BOYD-STEPHENS (Support 3/23/11)

This bill creates the Colorado Health Benefit Exchange Act in Colorado. It establishes a non-profit unincorporated public entity to oversee the establishment and operation of a competitive insurance marketplace (Exchange) in Colorado. The Exchange will be governed by a board of directors whose qualifications, powers and duties are specified to include:

- Appointing an executive director and creating an initial operational and financial plan
- Applying for gifts, grants and donations to fund the planning, establishment and operation of the Exchange
- Creating technical and advisory groups as needed

- Preparing and presenting a written report to the General Assembly on or before January 15 of each year, concerning the status of the Exchange
- Reviewing the Internet portal and templates for citizens to access information on health plans offered through the Exchange
- Identifying the structure of the Exchange, including whether to separate the individual and small employer markets and the appropriate size of the small employer market

Additionally, a 10-member Legislative Health Benefit Exchange Implementation Review Committee is also created to guide implementation of the Exchange, make recommendations and carry legislation, if necessary.

The Denver Metro Chamber supports the State of Colorado's decision to establish its own Exchange instead of defaulting to the use of a federal program. The Chamber is pleased this legislation clarifies that the Exchange will call on the governing board to create an operational and financial plan for the entity to ensure its future stability and will be made up of qualified experts both inside and outside the health industry. Additionally, the business community felt strongly that the operators of the Exchange should not duplicate existing reporting requirements of the Division of Insurance (DOI), set rates or buy or sell products, and we are pleased that stipulation is clearly defined in the legislation.

The Chamber does have some remaining concerns in the proposed legislation in the definition of a small employer within the Exchange. According to the federal Affordable Care Act, eligibility in the small-group Exchange is limited to employers with up to 100 employees. However, states have the option to restrict eligibility to employers with 50 or fewer employees until 2016 and expand eligibility in 2017. We ask that, when considering the appropriate size of the small employer market for the Colorado Exchange, the small-group pool should be capped at 50 lives, which is consistent with the definition of "small employer" in state statute (pursuant to section 10-16-102). A change in this number could significantly disrupt the market by creating cost shifting. As the federal government specifically allows for this option to occur, we would suggest that putting it in statute is a sensible move. An Exchange that aligns with the current Colorado definition would be the least disruptive in the early stages of implementation.

**SCR11-001 Ballot Measures/SHAFFER B.—MURRAY
(Support 2/8/11)**

This proposal would refer to Colorado voters a constitutional amendment that does the following:

-Increases the number of votes needed to pass a constitutional amendment from a majority to at least 60 percent of the votes cast.

-Requires that a minimum number of petition signatures for a citizen initiated constitutional amendment be gathered from voters who reside in each Colorado congressional district.

-Allows current constitutional amendments to be repealed with the same simple majority by which they were voted-in. Requires a 60 percent super majority vote to repeal constitutional amendments passed after 2012.

-Protects approved citizen-initiated statutory changes by requiring a two-thirds vote of the state legislature to make any change during the first three years after adoption.

The Chamber supports Colorado's initiative and referenda system as it is part of our state's electoral fabric. However, the organization believes Colorado's Constitution is, and should be, viewed as a guiding document for the state reserved for issues of great importance. With that, we support this referred effort to raise the bar for the adoption of constitutional measures to 60 percent.

Oppose:

HB11-1025 Repeal Hospital Provider Fee/JOSHI—LUNDBERG (Oppose 2/8/11)(PI'd 2/22/11)

This proposal would have repealed the Health Care Affordability Act of 2009 (HB09-1293), which established the hospital provider fee, a mechanism used by 26 states across our country to assist in funding state Medicaid programs and begin addressing the cost shift to the private insurance market.

The Chamber has a long history of work in the area of Medicaid funding. Ten years ago, the organization published two white papers, the first focused on outlining the relationship between business and Medicaid through cost shifts in the system, and the second providing recommendations for reforming the state system.

View the Chamber's white papers on Medicare:

[Medicaid, the Uninsured and the Impact on Your Business](#)
[Colorado's Medicaid System: Recommendations for Reform](#)

With that history and knowledge, the Chamber supported HB09-1293 and its goal of creating a system that draws down additional dollar-for-dollar federal funds to assist in addressing the cost shift experienced by the private insurance market through the underfunding of Medicaid. As HB11-1025 would remove that mechanism, the Chamber opposed the bill.

HB11-1070 Public Works Prevailing Wages & Benefits/SOPER—TOCHTROP (Oppose 1/25/11)(PI'd 1/27/11)

This bill would have dictated wages, benefits and terms of payment for contractors and subcontractors on public works projects as outlined by federal labor law (Davis-Bacon Act), including additional requirements such as paying workers weekly. The Chamber believed the proposal would have increased the cost of public projects.

HB11-1075 Limit Uses Of SB 09-108 Funding/ BECKER--(NONE)

(Oppose 2/1/11)(PI'd 2/2/11)

This bill would have eliminated the requirements for Senate Bill 09-108/FASTER (Funding Advancements for Surface Transportation and Economic Recovery Act of 2009) revenue to be expended on transit-related projects and other expenditures. Specifically, the bill would have:

- Eliminated an annual \$10 million dedication of Senate Bill 09-108 revenue for transit-related expenditures;
- Redefined the statutory definition of "road safety project" to restrict Senate Bill 09-108 revenue from being expended on construction or maintenance of bikeways or dedicated bicycle lanes, except as necessary to ensure bicyclist or driver safety at intersections with bikeways or lanes; and
- Eliminated an annual \$5 million allocation to the Colorado Department of Transportation (CDOT) Division of Transit and Rail to provide grants to local governments for local transit projects.

The Denver Metro Chamber was a leading advocate for the 2009 FASTER legislation, the first dedicated transportation funding source in Colorado in over a decade. The original intent of the legislation contemplated roadway, bridges and transit funding, and that formula must be preserved.

HB11-1084 Modify Late Vehicle Registration Fee/BAUMGARDNER--GRANTHAM (Oppose 2/8/11)(PI'd 3/23/11)

This bill proposed to repeal the \$25 late vehicle registration fees enacted in Senate Bill 09-108 (FASTER), and reinstate the \$10 waivable late fee, credited to county governments, previously in effect. This repeal would have had a negative fiscal impact, reducing state HUTF revenue by approximately \$25 million each year and thereby reducing subsequent HUTF distributions to the State Highway Fund, counties and cities.

The Chamber was a leading advocate for the SB09-108 (FASTER) legislation, the first dedicated transportation funding source in Colorado in more than a decade, which has generated new revenues for roadway, bridges and transit funding. Our state's infrastructure system relies on this funding which must be preserved.

HB11-1104 Tax Expenditure Reports/FERRANDINO--STEADMAN (Oppose 2/8/11)(PI'd 2/25/11)

This bill would have required that the Department of Revenue prepare an annual tax expenditure report to be presented to the finance committees of the House of Representatives and the Senate. The report would have included information for every state tax and federal income tax regarding each tax expenditure, including information such as the decrease in revenue that results from the tax expenditure, whether the tax expenditure is achieving its intended purpose and the effect of the tax expenditure on the distribution of the tax burden by various income and business classes.

The Denver Metro Chamber of Commerce is on the record in support of a detailed and in-depth analysis of all Colorado credits and exemptions, as that information was lacking during the legislative debate last year regarding the removal or time-out of such measures utilized by Colorado businesses. (See Sept. 29, 2009 letter to legislative leadership and Governor Bill Ritter: [www.denvermetrochamber.org/DMCC Credits and Exemptions September 2011](http://www.denvermetrochamber.org/DMCC%20Credits%20and%20Exemptions%20September%202011)) That said, we believed this legislation lacked clarity regarding how the information will be utilized and relied solely on the Department of Revenue to compile data and provide analysis outside the scope of its expertise. Additionally, the bill focused only on the cost of these measures, when the benefits should also be calculated to provide a full picture of their impact on the state and its citizens.

***HB11-1127 Fair Use of Consumer Credit Information/KAGAN—CARROLL
(Oppose 1/25/11)(PI'd 2/17/11)***

This bill specified the purposes for which a business could utilize the consumer credit reports and scores of an employee, applicant or, in the case of insurers, potential customers. Among other measures, the legislation aimed to restrict the use of credit information for employment purposes and require disclosure by a business to an affected party if such information leads to adverse action. Finally, a provision in the bill would have limited auto insurers that use insurance scores to underwrite and rate risk from incorporating credit information in establishing actuarial justifications.

The Chamber acknowledges that minimizing risk is prerequisite to operating a successful business over the long term, especially in a challenging economy, and therefore supports the use of effective predictive tools in undertaking such an effort. The Chamber opposed this bill because components like the latter measure would necessarily limit the use of such an effective tool.

***HB11-1129 State Procurement Preferences/PABON—(NONE)
(Oppose 1/25/11)(PI'd 2/25/11)***

This bill would have modified the State's procurement code to create preferences for products and services provided by in-state and veteran-owned vendors for use by governmental bodies when considering responses to procurement solicitations. Additionally, it would have created preferences for companies utilizing a predominantly in-state workforce and domestic U.S. building materials when applicable.

While the Chamber inherently values efforts to generate activity for Colorado businesses, the Chamber asserts that such support cannot be achieved through stricter regulations and increased limitations on which companies the State may do business with.

The Chamber supports Colorado companies, but knows that requirements such as those noted in this bill would limit competition and drive up cost in today's global economy. Further, prudence in ensuring the best price is especially important for projects funded by tax dollars.

Finally, the Chamber is concerned that similar efforts in recent years have not been successful and, in some cases, this type of legislation may run afoul of U.S. trade agreements. There are a

number of free trade agreements that include such agreements, including the U.S.-Canada Agreement on Government Procurement that entered into force in early 2010, which falls under the WTO Agreement on Government Procurement.

***HB11-1142 State Econ Impact Of State Procurement/RYDEN
(Oppose 2/8/11)(PI'd 2/25/11)***

This bill would have required consideration of “state economic impact” when awarding procurement contracts. In addition, it would have made the state Department of Personnel and Administration responsible for creating an economic impact methodology and a policy to consider bids or proposals.

This bill would have put in question the policy of the state considering awarding to the lowest bidder, instead allowing contracts to be awarded based on perceived economic impact.

While the Chamber inherently values competition and efforts to generate activity for Colorado businesses, it asserts that such support cannot be achieved through stricter regulations and increased limitations regarding the companies with which the state may do business. The bill’s fiscal note states that this proposal could have lead to increased costs for Colorado taxpayers through the creation of a preferential procurement system. Therefore, the Chamber opposed this bill.

***HB11 – 1225 Data Security Breach Prevention/ PABON
(Oppose 2/15/11)(PI'd 2/24/11)***

Under this bill, an individual or commercial entity would not have been liable for civil damages resulting from a breach of data security, so long as the acts or omissions were not grossly negligent or willful, the breach of data security is committed by a unauthorized third party and the individual or commercial entity that holds the personal information has been audited by a qualified information technology auditor and found to be implementing best practices and meeting information technology security standards.

The Chamber believes the intent of this legislation was noble, however the high costs associated with the audit - as required by the bill on businesses of all sizes – would have been burdensome and in some cases (such as in the banking industry) duplicative of existing regulatory requirements. The Chamber also had concerns the definition of “best practices” which businesses must act in accordance with, is not specified in the bill, for these reasons the Chamber opposes HB11-1225.

***HB11-1233 Bidder Preferences in State/ WILLIAM A.
(Oppose 2/15/11)(PI'd 2/24/11)***

This bill would have created a preference for resident bidders in state contracts for construction projects, specifying that a state agency shall award a construction contract to the lowest resident bidder, so long as the bid does not exceed the low nonresident bidder’s bid by more than 5%.

While the Chamber inherently values efforts to generate activity for Colorado businesses, the organization asserts that such support cannot be achieved through stricter regulations and increased limitations regarding the companies with which the state may do business. The Chamber supports Colorado companies, but knows that such requirements limit competition and drive up cost in today's global economy. Therefore, the Chamber opposed this bill.

HB11-1238 Job Quality Standards/DURAN--(NONE)
(Oppose 2/15/11)(PI'd 2/22/11)

This bill would have required businesses to satisfy certain job quality standards as part of the qualification process to receive more than \$10,000 in loans, tax credits and exemptions from the state. The job standards included:

- a. the business pays every employee 25 percent higher wages than those paid to similar employees in similar industries in the county where it is located
- b. the business provides or offers health benefits to every employee
- c. at least 50 percent of the jobs created or maintained by the business are filled by Colorado residents, graduates of a state institution or, if the state assistance the business seeks is awarded based on creation of new jobs, that the persons hired to work at the business were previously being awarded unemployment benefits from the state
- d. on average, the business retains at least half of its employees for a year or longer after they are hired
- e. the business allows employees to take paid sick leave and paid leave for parental involvement in their children's education

Further, the proposal alleged that businesses paying wages on the lower end of the scale impose hidden taxpayer costs, including Medicaid, food stamps, earned income tax credits and other forms of public assistance. The bill stipulated that any business employing people who draw public aid from the state would be barred from receiving state assistance.

The Chamber opposed this bill because it believes the job quality standards set forth in the proposal are onerous and overly prescriptive for a free-market system. For our economy to grow and thrive, Colorado must enact policies that make our business environment conducive to success. Creating additional and burdensome requirements for already struggling businesses does not make our state an attractive place for companies to grow or relocate.

HB11-1243 Lottery Keno CO Jobs Grant Program/PACE & ...--TOCHTROP
(Oppose 2/15/11)(PI'd 2/24/11)

This bill would have taken money derived from the state lottery to create a keno game to establish a grant program to reverse the off-shoring of Colorado jobs to foreign countries as well as finance tourism programs.

The debate over increased gaming in Colorado set aside, the Chamber opposed this bill because it believed the proposal set an expectation that these revenues would solve what the legislation outlines as a problem: the issue of off-shoring jobs. The Chamber asserts that both international and domestic commerce are part of operating in a global economy, which Colorado companies participate in daily, and that creating a fund focused on solving what some perceive as a problem and other see as a necessary business practice is unwise.

HB11-1244 Electronic Device Recycling/FISCHER--NEWELL & ...
(Oppose 2/15/11)(PI'd 2/24/11)

This proposed legislation would have created the "Consumer Electronics Recycling Act," requiring manufacturers of eligible electronic devices to implement recycling programs for those products. Under this legislation, manufacturers would have been required to recycle an amount equal to their market share allocation of their respective markets in Colorado. Furthermore, manufacturers would have been required to register with, pay an annual registration fee to and submit annual reports to the Department of Public Health and Environment. The bill also would have required the Solid and Hazardous Waste Commission to adopt rules to regulate manufacturers' recycling program.

While the Chamber supports and encourages efforts to increase rates of recycling in the manufacturing process and efforts to minimize waste, it opposed this specific piece of legislation. The Chamber noted that manufacturers in many cases already recycle these types of products voluntarily. The Chamber opposed this legislation due to its over-reaching increase in fees and regulatory complexity for affected manufacturers, as well as the greatly increased workload for multiple state regulatory agencies involved in overseeing such a program.

HB11-1247 Deposit Beverage Container Prog/PABON—SCHWARTZ
(Oppose 2/15/11) (PI'd 2/23/11)

This bill would have created a deposit program applying to qualified beverage containers—including all polyethylene terephthalate or high-density polyethylene or glass containers less than or equal to 64 fluid ounces, not including dairy containers—that would have been fully implemented statewide by January 1, 2013.

This program would have required that manufacturers and distributors of applicable containers register with and maintain records for the Department of Revenue. It would have also required manufacturers and distributors to pay a 1 cent deposit to the Department of Revenue on each container. Additionally, the bill would have required consumers to pay to the dealer a 5 cent deposit on each container, to be recovered by turning in containers to redemption centers. These centers would have included, in some cases, the dealers themselves. Such redemption centers would have been required to apply for certification prior to operation.

While the Chamber supports and encourages voluntary efforts to increase recycling, it opposed this legislation due to its over-reaching and undue impact on manufacturers and distributors in the beverages industry—one of the Chamber's key industry clusters—both financially and in regard to regulatory burden. It is our belief that such an impact would have created a deterrent to

attracting such manufacturers and dealers from out of state and placed Colorado-based manufacturers at competitive disadvantage.

***HB11-1266 Economic Development Small Business Seed Capital Market/LEE
(Oppose 3/8/11)(PI'd 3/10/11)***

This bill would have created a Small Business Capital Authority and related board, to manage a state fund and raise money to loan to small businesses that generate jobs in Colorado. The authority is charged with raising \$50 million annually through bond sales that would be allocated to several private fund operators who would loan the money to small businesses. This bill also would have created a private capital exchange to facilitate the purchase and sale of Colorado private securities within Colorado. The exchange would have supported the sale of securities by the fund operators and all other private securities of any Colorado business by creating a secondary market for investors in the small business investment funds.

In 2001, similar legislation (HB01-1097) was passed that created the Certified Capital Company (CAPCO) Program with the goal of making venture capital funds available to new or expanding small businesses throughout Colorado. The CAPCO program did not achieve its intended purpose, and in 2004 new legislation (SB04-106) was introduced to modify and improve the 2001 legislation. This modified program is currently still in place.

The Chamber recognizes and embraces that small business is historically the single, largest source of net new jobs in Colorado. However, while well-intentioned in attempting to assist the small business and seed market in Colorado, the Chamber had concerns that this proposal would have replicated the CAPCO experience and did not serve as the best solution for job growth. Therefore, the Chamber opposed HB11-1266.

***SB11-025 Colorado Taxpayer Empowerment Act 2011/CAROLL—FERRANDINO (Oppose
1/18/11) Signed by Gov 4/8/11)***

This bill required that records relating to the costs of, or any performance measures under a contract entered into by a governmental body under the state "Procurement Code," be made available to the general public.

While the Chamber supports transparency in government, the Chamber opposed this bill as it will likely chill interest from the private sector in doing business with the state, as proprietary information could be placed in the public domain. This lack of interest, in turn, could lead to additional costs for government services as less competition will exist in bidding for state work.

***SB11-032 On-Bill Financing Program For Energy Cost Savings/ JOHNSTON--(NONE)
(Oppose 2/1/11)***

This bill would require the Public Utilities Commission (PUC) to promulgate rules allowing utility customers to participate in an on-bill financing arrangement for installation of clean energy improvements to their property. The financing would be provided through a temporary surcharge or increased rate for electricity or natural gas on the customer's utility bill.

The Chamber takes the position that this consumer lending obligation is outside the scope of a utility provider, which is not a financial institution. Individuals who seek to modify or upgrade their property can utilize existing financing mechanisms.

***SB11-068 Increase Consumer Protection Enforcement/CARROLL—SOLANO
(Oppose 1/25/11)(PI'd 3/10/11)***

This proposal would have allowed Colorado's Attorney General, as opposed to the Legislature, to exercise broad authority in promulgating rules to decide what acts or practices could be defined as "deceptive" or "unfair trade practices" for the purposes of the Consumer Protection Act. Currently, only practices that have a "public impact" are subject to the strict fines and penalties of the Consumer Protection Act – this would significantly lower the threshold for making that determination.

While the Chamber supports the prosecution of deceptive and unfair trade practices and regular review and addition to the list of illegal measures as necessary, the Chamber believes the legislature should be the deciding body on the legality of business actions, practices or methods in the state.

***SB11-072 Civil Rights Enforcement Act/CARROLL--LEVY
(Oppose 1/25/11)(PI'd 4/6/11)***

This bill would have created remedies in employment discrimination cases under state law, by allowing compensatory and punitive damages or attorney fees and costs to a prevailing plaintiff before the Colorado Civil Rights Commission. Lastly, it allows the Commission to order reinstatement of an employee and "any other equitable relief the commission or court deems appropriate."

This bill would have increased the damages in employment discrimination court cases beyond what state law currently permits. It would have expanded penalties in financial and non-financial areas, including emotional pain, suffering, inconvenience, mental anguish and loss of enjoyment of life. These damages would have been in addition to those already allowed under current law including front pay, back pay, interest on back pay, reinstatement and others.

The Chamber supports workplace fairness and believes the current state-level court jurisdiction and level of awards is sufficient to penalize violators.

***SB11-095 Surface Transportation Funding/GRANTHAM—CONTI
(Oppose 2/8/11)(PI'd 2/16/11)***

This bill would have repealed most of the statutory provisions enacted in Senate Bill 09-108 (FASTER) and reenacted it in a manner that:

- Abolished the high-performance transportation enterprise created by FASTER and reestablishes the statewide tolling enterprise that was abolished by FASTER;

- Eliminated the road safety surcharge, daily vehicle rental fee, supplemental oversize and overweight vehicle surcharge, and supplemental unregistered vehicle fine created by, and the late vehicle registration fee and all other previously existing fees and fines increased by, FASTER;
- Eliminated FASTER funding for the state transit and rail division of the department of transportation; and
- Reestablished the statewide bridge enterprise created by FASTER, authorizes the enterprise to impose a bridge safety surcharge and issue bonds for the purpose of financing the completion of designated bridge projects, and otherwise specifies the powers and duties of the enterprise without making substantive changes from FASTER.

The Chamber was a leading advocate for the SB09-108 (FASTER) legislation, the first dedicated transportation funding source in Colorado in more than a decade. The original intent of the legislation contemplated roadway, bridges and transit funding, and that formula must be preserved.

**SB11-107 No Noneconomic Damages Cap For DUIs/MORSE—BARKER
(Oppose 2/8/11)**

This bill would remove Colorado's current noneconomic damages cap of \$468,010 (not including medical malpractice claims), or up to \$936,030 for special circumstances as determined by a judge. The legislation creates a new statute that allows claimants unlimited damage awards for pain and suffering, inconvenience, emotional stress, and quality of life issues as the result of a civil action in a Driving Under the Influence (DUI) incident.

The Chamber opposes this bill because of the removal of the noneconomic damages cap, which sets a troubling precedent that may lead to similar action in other areas. We support financial and/or criminal consequences for individuals convicted under current Colorado law, and the cap system currently in place. Noneconomic caps are key to ensuring a stable and predictable insurance marketplace.

**SB11-168 Colorado Health Care Cooperative/AGUILAR—KEFALAS
(Oppose 3/1/11)**

The bill creates the Colorado Health Care Authority for the purpose of administering and funding health benefits for Colorado residents. The Authority would be a statutory public entity governed by a nine-member board of directors and considered a political subdivision of the state. The Authority is to recommend a health care cooperative design to the General Assembly. If the General Assembly approves the design, it must then refer the measure to the voters for approval.

The Chamber views this legislation as a proposed mechanism to create a single-payer, government-run health care system in our state. We believe that this concept of health care coverage is ineffective on a state-by-state basis and could make us less competitive in our goal of

attracting companies to Colorado. In 2009, the Chamber opposed a similar piece of legislation, HB09-1273.

Additionally, the Chamber, in partnership with other business organizations in Colorado, is in conversations with legislators regarding the creation of a Colorado health insurance exchange, a measure that is mandated by the national health care reforms adopted by Congress in 2010 to address the needs of Colorado's uninsured and the small business market. SB11-168 is in direct conflict with the creation of an exchange; therefore, the Chamber opposes this bill.

**SB11-185 Notice Of Outsourced Jobs In State Contracts/JOHNSTON
(Oppose 3/8/11)**

This bill requires state contracts between a governmental body and a vendor with a value of \$250,000 or more to contain a clause that would require any vendor who outsources duties performed pursuant to the contract to a locale outside of the United States to notify the Executive Director of the Department of Personnel of such outsourcing. If a vendor fails to provide such outsourcing notification, the contract may be terminated and the vendor may be subject to a fine equal to one percent of the total contract price.

The definition of outsourcing in this proposal is unclear, and difficult to adhere to. Additionally, state procurement rules already include sufficient reporting requirements of businesses that outsource outside the state and country. The Chamber supports processes that ensure transparency but because existing legislation already involves outsourcing reporting, the objective of this proposal is uncertain. Therefore, the Chamber is opposed to this bill.