

## 2020 LEGISLATIVE RECAP

### COVID, DELAYED SESSION AND NUMEROUS ANTI-BUSINESS BILLS MARK THE 2020 SESSION

The 2020 session was full of challenges as anticipated. In mid-March, the legislature took an emergency recess due to the COVID-19 pandemic. Upon returning in late May, legislators grappled with a new and significant budget shortfall and a complete reprioritization of issues. They wisely abandoned several costly proposals that could have crippled our economic recovery – a state health insurance option and a state-run paid family leave proposal. But new challenges for the business community emerged in the form of costly bills that risked our economic recovery. For every encouraging piece of legislation, there were three or four bills that added additional burdens and costs to business. In a different economy or in isolation, we'd be disappointed by each one of these bills, but in this environment these types of bills would have reduced confidence and created more uncertainty, slowing potential hiring and hurting our economic recovery. While only one of the bills we opposed in the second portion of the legislative session was successfully defeated, we did get helpful amendments to the other bills to mitigate some of the damages. And, we had success early in the session, killing harmful bills and supporting a number of proposals that ultimately passed into law.



## BUSINESS

### **HB20-1089: Employee Protection Lawful Off-Duty Activities**

*Would have prevented employers from maintaining drug-free workplaces*

We strongly opposed this bill, testifying in the hearing and working with the media, because we support employers' rights to maintain a drug-free workplace as upheld by the Colorado Supreme Court. This legislation would have undermined an employer's ability to create that safe environment.

*STATUS: FAILED*

## **SB20-093: Consumer and Employee Dispute Resolution Fairness**

*Would have prohibited a number of provisions in standard consumer and employment contracts*

## **SB20-183: Consumer Protection Construction Defect Time Period**

*Would have increased the statute of limitations for actions based on construction defects from six years to 10 years*

For years we battled to make changes to construction defects litigation law, advocating for changes that would encourage more development of entry-level, for-sale real estate, which is a desirable housing option for our workforce that was not being built because of the litigation environment. We opposed these two bills because, together, Senate Bills 93 and 183 would have reversed critical progress that we helped make in reforming construction defects litigation to ensure developers would again build affordable for-sale multifamily units.

*STATUS: FAILED*



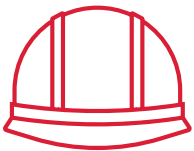
# EDUCATION & WORKFORCE

## **HB20-1002: College Credit for Work Experience**

*Develops and implements a program that will award college credit for work-related experience*

Our competitive advantage is our talented workforce, but if more of our kids don't attend and graduate from college, we could jeopardize that advantage. We supported this bill, which increases the value of work-based learning for students (something the Chamber is an advocate for), because those apprenticeships and internships will be tied to postsecondary credit, transferable to credentials.

*STATUS: PASSED*



# LABOR PEACE ACT

## **HB20-1169: Prohibit Discrimination Labor Union Participation**

*Would have weakened Labor Peace Act*

We opposed this bill because we continue to defend Colorado's Labor Peace Act as a unique legal middle ground between right-to-work and union shop states that has contributed to Colorado's economic well-being for 77 years.

*STATUS: FAILED*



# HEALTH CARE

## **SB20-205: Sick Leave For Employees**

*Mandates that on Jan. 1, 2021, most employers must provide paid sick leave*

We worked hard to ensure the leave policies you have in place today would meet the criteria outlined in the bill. We opposed this bill, but after nearly 20 amendments, we struck a better balance that recognized the generous benefits many employers already provide and lessened the impact on our smallest of businesses.

*STATUS: PASSED*

## **SB20-215: Health Insurance Affordability Enterprise**

*Extends and refinances the Reinsurance Program*

The bill continues a federal tax that insurance carriers pay, which is set to expire at the end of the year, by requiring carriers to continue to pay that tax as a fee to the state in an effort to fund the state's reinsurance program. Ultimately, legislators adopted several amendments, including substantially paring back the authority of the board, lowering the tax and providing for guardrails that the money could not be used for the public option. While we were pleased with the amendments, we maintained our opposition to the bill given that it will drive costs for businesses.

*STATUS: PASSED*

## **HB20-1349: Colorado Affordable Health Care Option**

*Would have created a public health insurance plan for the individual and small group markets*

This bill would have established a state health insurance option and would have required private health insurers to administer the plans and that hospitals participate, while the Commissioner of Insurance would have set reimbursement rates and terms. We opposed this bill because it would simply shift costs to the employer-based coverage market, adding inefficiencies and putting us at risk for unintended consequences that would harm Coloradans on subsidies, increasing rates in parts of the state. We educated members about this harmful bill, brought together a coalition to work on opposing this harmful legislation and provided testimony at the bill's hearing. Ultimately the bill died, but we will track this issue closely over the next several months as it will likely resurface next session.

*STATUS: FAILED*



# COVID-19

## **HB20-1413: Small Business Recovery Loan Program Premium Tax Credits**

*Creates a loan program to help small businesses recover from the pandemic*

## **SB20-222: Use CARES Act Money Small Business Grant Program**

*Creates a COVID-19 grant program for small businesses*

Businesses in Colorado have been hit hard by the COVID-19 pandemic and we know that access to cash is a critical component in their survival. We supported these two bills, knowing that they could increase access to loans and grants for some of our smallest of companies, including those that weren't able to secure Paycheck Protection Program loans.

*STATUS: PASSED*

## **HB20-1420: Adjust Tax Expenditures for State Education Fund**

*Eliminates certain tax exemptions for businesses to generate money for K-12 education for two years*

In its initial form, this bill would have had devastating consequences on employers of all sizes, including sole proprietors and small businesses, driving up costs of doing business, negatively impacting employees and removing incentives for revival of the economy. Amid rising concerns, we testified against this bill, connected board members directly with legislators, worked with the Governor's office and mobilized members to reach out to their legislators. Ultimately, the bill was heavily amended in the Senate to limit the extent of the changes, allowing us to maintain the net operating loss deductions, sales tax exemptions and qualified business exemptions that promote innovation, investment and product development.

*STATUS: PASSED*

## **SB20-207: Unemployment Insurance**

*Makes changes to the state's unemployment insurance program*

As introduced, we opposed this bill, which would have greatly increased unemployment premiums for businesses already struggling financially as a result of the pandemic and imposed additional mandates on the system. We worked hard with Republican lawmakers and Democratic bill sponsors to push for a delay in the solvency surcharge, extend the period of time during which the taxable wage base will increase and direct unspent portions of CARES Act money as of Dec. 30, 2020, to the unemployment insurance trust fund.

*STATUS: PASSED*

## **SB20-216: Workers' Compensation for COVID-19**

*Would have assumed that any employee who contracted the virus caught it at work*

We opposed this bill because moving the presumption from the employee to the employer would have created a fundamental shift in public policy that would have long-lasting and significant policy and cost ramifications for the workers' compensation system. After much work by the business community, this bill was postponed indefinitely.

*STATUS: FAILED*



# STATE BUDGET

## **SCR20-001: Repeal Property Tax Assessment Rates**

We supported this resolution, which outlines that in November 2020, voters will decide whether to repeal several constitutional provisions regarding property taxes, commonly referred to as the Gallagher Amendment. If approved by voters, the repeal will keep residential property rates stable in future years, which would help provide relief for schools, local governments and the state as we recover from the impacts of COVID-19.

## **COVID-19 Impact on the State's Budget**

When the legislature convened January 8, the Joint Budget Committee anticipated an additional \$800 million to spend on new initiatives. Instead, when they reconvened on May 26, they did so to a new reality that included a \$3.4 billion budget shortfall, forcing them to make deep cuts. The final budget reflected a \$557 million reduction in K-12 funding, a \$492 million reduction for higher ed and a \$225 million direct distribution payment suspension for PERA. Some cuts were offset in part by the \$1.67 billion that the state received from the CARES Act to distribute to COVID-19-related expenses.

Governor Polis released an executive order prioritizing these funds with \$205 million for public health expenses, \$510 million to K-12 education, \$450 million to higher education and \$275 million to local governments. The Joint Budget Committee will continue to meet during the interim and review ongoing revenue forecasts. Conversations are expected to continue around further federal relief and how it may be allocated. We will continue to monitor the budget situation closely.



*Learn more about this session and the Chamber's policy work at [denverchamber.org/policy](https://denverchamber.org/policy).*

