



NCLA Secures Important Wins

2019 Legislative Session still proving challenging for business climate

The NCLA secured a couple of important legislative victories last week in the oil and gas debate and in funding transportation. However, despite the wins, looming proposals in other areas affecting business remain ominous. Below an overview of the status of key issues in which the NCLA is engaged:

Oil/Gas

Senate Bill 181, the onerous measure to change and increase regulatory authority over oil and gas operations in the name of local control and public health and safety, has been a central point of activity for the NCLA over the past 6 weeks. An ingrained facet of our northern Colorado region, this critical economic driver for the region was under undue attack. The proposal drew an impassioned response from the region with business, community and government leaders from across the region turning out in force to plead with legislative leaders in closed door meetings and in public testimony. Our thanks for the critical engagement.

From the beginning, Northern Colorado sought clarity and certainty SB 181. Working closely with Weld County and our oil and gas industry partners, we sought amendments that granted true local control. In the end, we secured important amendments that prevent local governments from becoming involved in disputes across their borders, in addition to the adoption of other key oil and gas industry amendments.

There is much ahead in the implementation, rule-making and inevitable litigation to provide further clarity. While, there still remains undue uncertainty in the industry as a result of the measure, Weld County, home to 90% of the drilling in Colorado, is committed to finding the right path to assure they remain open for business as they operate under the new paradigm of SB 181.

Transportation

Funding transportation in the state, and more parochially, funding North I-25 expansion and critical regional roadways, has also been forefront of the work of the NCLA this session. Working against a political landscape that has placed transportation low on the list of priorities, the NCLA has worked to build and improve upon past transportation funding successes from the General Fund while identifying financially and politically viable additional revenue sources that capture a modern and fair approach to funding the state transportation system.

After the state budget was closed by the Joint Budget Committee with only \$30M more in funding for transportation this fiscal year, we set out to make a change. Senate Minority Leader Chris Holbert sought to make the difficult ask to secure an additional \$100M or more in funding out of the state budget. Despite a \$10+ billion general fund budget, \$100M is a significant lift once the budget is closed. Senator Holbert struck a deal with Senate Majority Leader Steve Fenberg to secure \$106M.

This week, in a rare bipartisan showing, a final commitment was forged with legislative leaders in the House and Senate to secure a full \$300M for transportation out of the General Fund. When combined with the \$500M we are anticipating in proceeds from the issuance of a bonding tool mid-year, a total of \$800M will be available for CDOT to invest in the \$9B needs the state faces. In this tricky political environment, we'll celebrate this victory.