



The 2022 Legislative Session

An NCLA Debrief on Key Issues Affecting NoCo Business

In an ever-evolving political landscape, the 2022 Legislative Session finally ended on May 11. After three years of policy turmoil for Colorado's business sector, the session offered a mixed bag of policy outcomes on the key issues affecting businesses in Northern Colorado.

In important areas, namely environment and labor policy matters, the policy decisions emerging from the 2022 legislative session will contribute to a further erosion of Colorado's competitiveness. As reported last fall, Colorado dropped from the 11th most business-friendly state to No. 29 in just one cycle of CNBC's Top States for Business Rating. The Metro Denver EDC estimated that this decline is in large part due to our policy environment.

There were some bright spots in an otherwise dim session. NCLA's highest priority to backfill the fully depleted Unemployment Insurance Trust Fund and repay the federal UI loan was accomplished with a \$600M commitment from the available ARPA dollars addresses over a quarter of the \$2B hole and will forestall the imposition of a UI Premium Surcharge upon businesses across the state.

Looming over the 2022 Legislative Session was the 2022 election cycle. The 2022 election will be the first after legislative redistricting which saw district lines drawn based on competitiveness as a priority. The "trifecta" majority held by Democrats is in the sights of Republicans who believe redistricting favors a split majority in 2023 with the Senate most vulnerable to a majority flip and the House narrowing the 9-vote majority.

Appreciating the potential of limited time in control of the policy landscape, the 2022 Democrat majority chose to push through measures on environment, labor, and transportation that they otherwise would be hindered in passing in a split majority. In other issue areas, the Democrats were more considered in their approach and tempered their policy efforts out of concern of electoral repercussions

NCLA Board

During the 2022 Legislative Session, the NCLA Board met weekly as a decision-making board and for ongoing updates of developments unfolding at the statehouse. The NCLA Board engaged, at some level, in 148 bills during the course of the session with active involvement in 52 bills. The board met monthly with the legislative delegation from northern Colorado to dialogue about NCLA positions on top priority measures as the session was unfolding.

The Issues

Below are highlights of the topics and bills in which the NCLA was involved. A more detailed report will be made available and the [2022 NCLA Legislative Tracking Report](#) is always available that provides resources and information about each measure in which the NCLA and the Northern Colorado business community intersected during the 2022 Legislative Session.

The Bright Spots

- \$600 M for Unemployment Insurance
- Approval of UNC School for Doctor of Osteopathic Medicine
- Commercial and Residential Property Tax Relief
- Defeated E-TRIP 2.0
- Prevented Introduction of Extreme Air Quality Bill
- Workplace Harrassment POWR Act Neutered

The Challenges

Climate and the Environment

- Air Quality
 - [HB 22-1244](#): Public Protections from Toxic Air Contaminants
 - We secured significant amendments to this measure that the NCLA strongly opposed due to its blanket authority granted to CDPHE to regulate unnamed “air toxics” creating unnecessary and duplicative regulatory authority. Amendments tempered impact in the last hours of the session but have join the call for a veto of this measure.
 - [SB 22-138](#): Reduce Greenhouse Gas Emissions In Colorado
 - The NCLA worked closely with the bill sponsor, Democrat Senator Chris Hansen, a member of the powerful JBC, to get SB 138 to a place we could support and would be beneficial to northern Colorado’s agriculture and oil and gas industries. In the waning hours of the session, SB 138 was pulled off the table by the Senate Majority Leader to the chagrin of the sponsor. We will be back next year with a similar measure.
- Regulating the “Built Environment”
 - Next on the chopping block of industry sectors to be regulated for their GHG emissions is the building sector. A number of bills were introduced that will

change the building sector going forward with anticipated, yet little considered, increased cost of housing and commercial building.

- [HB 22-1362](#): Building Greenhouse Gas Emissions
 - [HB 22-1218](#): Resource Efficiency Buildings Electric Vehicles
 - [SB 22-051](#): Policies to Reduce Emissions From Built Environment
- More for the Oil and Gas Sector
 - The push against the oil and gas sector didn't relent in 2022 with yet more regulatory requirements directed to be imposed ahead of any split majority. Operating only 50% of the rigs in the state since passage of SB 19-181 and job losses topping 9,000, the regulatory burden continues to mount unabated despite the push back on a foundational industry sector critical to northern Colorado.
 - [HB 22-1348](#): Oversight of Chemicals Used In Oil & Gas
 - [HB 22-1361](#): Oil and Gas Reporting
 - [SB 22-198](#): Orphaned Oil and Gas Wells Enterprise
 - [HB 22-1381](#): Colorado Energy Office Geothermal Energy Grant Program

Transportation

Fixing (Everything But) Colorado Roads

In the shadow of the passage of last year's Senate Bill 260, the gas tax raising, enterprise establishing, EV and transit spending and environment regulating measure passed in 2021, over \$225M in general funds were directed to every possible alternative mode of transportation and the further acceleration of electric vehicles and not a penny for road construction. The relative ease with which such level of general fund spending was achieved this year contrasts starkly with the challenge the NCLA, the leader for years in pushing and securing general funds and finance tools for transportation, faced in securing even \$100M from the General Fund for transportation in years past. The following bills were cornerstone to the spending on alternative modes:

- [SB 193](#): Air Quality Improvement Investments
- [SB 176](#): Early-Stage Front Range Passenger Rail Funding.
- [SB 22-180](#): Programs to Reduce Ozone Through Increased Transit
- [SB 22-215](#): Infrastructure Investment and Jobs Act Cash Fund

Gas Prices

In the face of rising gas prices and inflation, and an election year, the Governor chose to promote passage of a delay of the 2-cent increase in the gas tax and various transportation fees passed in SB 21-260. However, also looming is the EPA's decision to downgrade the North Front Range and Denver Metro Area's air quality "attainment" from a "serious" standard to a "severe" standard. The implication of such change is a projected 51 cent increase in gas prices for all consumers to cover the costs of a required reformulated gas that will be required to be sold in these regions. The Governor, notably, has the power to request

the EPA make an exception for the regions and avoid the price increase. He has chosen not to do so.

- [HB 22-1351](#): Delay 2 cent Gas and other SB 21-260 Transportation Fees

ETRIP 2.0

NCLA was a primary driver behind the defeat of the regulatory proposal for the Employer Trip Reduction Program (ETRIP) in the Air Quality Control Commission regulatory plan in 2021. Legislators promised to bring the issue to the statehouse in 2022 and introduced HB 1138. NCLA strongly opposed the measure and led forces of our business organization colleagues across the state to defeat the 2.0 effort. Meanwhile, a measure to offer a voluntary program was successful and reasonable alternative to the mandated proposal.

- [HB 1138](#): Reduce Employee Single-Occupancy Vehicle
- [HB 1026](#): Voluntary Alternative Tax Credit

Labor, Employee Relations and Workforce

Collective Bargaining

The NCLA joined with our friends from Colorado Counties to oppose and seek amendments to the dramatically scaled back Collective Bargaining measure, SB 230. Although it only affected public sector employers, the bill's passage served as the first undermining of the long standing and balance Colorado Labor Peace Act breaking the barrier for possible future erosion.

- [SB 22-230](#): Collective Bargaining

Employer-Employee Relations

Additionally, a number of employer-employee relations bills were passed that greatly shift the legal standing of employees in the employer relationship. More analysis will be shared to assist our employers in navigating these new standards.

- [HB 22-1216](#): Uniform Restrictive Employment Agreement
- [HB 22-1367](#): Updates to Employment Discrimination Laws
- [SB 22-097](#): Whistleblower Protection Health & Safety
- [SB 22-161](#): Wage Theft Employee Misclassification Enforcement
- [SB 22-204](#): Repeal Federal Government Confirm Status For Identification Documents

Unemployment Insurance

NCLA's highest priority to backfill the fully depleted Unemployment Insurance Trust Fund and repay the federal UI loan was accomplished with a \$600M commitment from the available ARPA dollars addresses over a quarter of the \$2B hole and will forestall the imposition of a UI Premium Surcharge upon businesses across the state.

- [SB 22-066](#): Restore Unemployment Insurance Fund Balance
- [SB 22-234](#): Unemployment Compensation

Workforce Supports

\$100M of ARPA funds were dedicated to supports systems for the Colorado workforce in light of pandemic implications. The NCLA supported the spending of these funds in the following grant programs.

- [HB 22-1349](#): Postsecondary Student Success Data System
- [HB 22-1350](#): Regional Talent Development Initiative Grant Program
- [SB 22-192](#): Opportunities For Credential Attainment
- [HB 22-1230](#): Employment Support And Job Retention Services
- [HB 22-1366](#): Improving Students' Postsecondary Options

Tax Policy

Tax policy changes were an under the radar topic that had a number of beneficial impacts to the commercial and oil and gas sectors. For the first time in 40 years, the commercial property tax assessment rate was reduced from 29% to 27.5% potentially saving the commercial sector millions in property taxes in an greatly growing real estate valuation market. Additionally, a continuation of the property tax deferral program that the NCLA passed during early COVID period in 2020 was a positive move for businesses still suffering from their recovery. Weld County Senator Barb Kirkmeyer led an effort to pass a measure to streamline oil and gas property tax procedures lauded by the sector

- [SB 22-238](#): Commercial and Residential Property Tax Reduction
- [HB 22-1391](#): Severance Tax Reform
- [SB 22-026](#): O/G Operator Property Tax Procedures
- [SB 22-124](#): SALT Parity Act
- [SB 22-220](#): Property Tax Deferral Program

NCLA Tracking Report

On a bi-weekly basis, the NCLA Board reviews and considers its position on pending legislation. See the [NCLA 2022 Legislative Tracking Report](#) list the measures thus far introduced that the NCLA is monitoring and upon which the NCLA will or has taken a position.