

# JCBL Legislative Update | January 2022

**By Jeff Weist, Jefferson County Business Lobby**

The Jefferson County Business Lobby (JCBL) — the united voice of JeffCo businesses at the Colorado State Capitol — has been busy analyzing several legislative proposals since the 2022 Colorado legislative session began on January 13. Below is an update from the first JCBL meeting of the year on the most important bills that may impact our county.

The 2022 legislative session is off to a relatively slow start due to the Omicron wave. We anticipate session action to heat up next week, with over 250 of the roughly 700 bills coming this session already introduced.

This year, the JCBL is focused on three major issues:

- **Replenishing the Unemployment Insurance Trust Fund:** All employers pay into the fund to provide unemployment benefits. Colorado's unemployment levels spiked in early 2020 and caused the state's Unemployment Insurance Trust Fund to become deeply insolvent. Currently, the Trust Fund is about \$2 billion down from its pre-pandemic balance. The deficit triggers a solvency surcharge in 2023 and shifts rates to the highest calculation until the fund is replenished. Universally, there's a desire to use federal recovery funding to backfill part of the Trust Fund. Gov. Jared Polis proposed providing a \$600 million backfill to assist small businesses in paying down this debt. A statewide coalition of Chambers, including the Arvada Chamber, and trade associations signed a letter of support advocating for this investment.
- **Workplace Harassment:** One of last year's most controversial bills will return: Protecting Opportunities & Workers' Rights (POWR) Act, which aims to lower the standard to claim harassment and discrimination in the workplace. The primary concern for businesses is the standard by which a plaintiff can show that harassment has taken place and proof that harassment is severe or pervasive. Business leaders believe the bill is too far-reaching and are working on alternatives to mitigate harassment.
- **Allocation of Federal Relief Funding:** A large percentage of the state's federal funds from the American Recovery Act, as well as the federal Infrastructure Bill, has still not been spent or allocated. We are tracking closely where these once-in-a-lifetime funds are prioritized.

In addition to these primary issues, the JCBL will track bills across several categories in 2022: Leadership agendas, tax issues, workforce, business liability, and environmental.

## **Leadership Agendas**

Thus far, we have found a remarkable overlap between the parties on the top issues: crime and public safety, the cost of living in Colorado, and education. The two sides disagree on the specific problems and solutions therein, but these three themes are repeated in much of the early discourse and the bills introduced to date.

## **Tax Issues**

So far we have good news on tax-related legislation at the capitol. First, we will see a sales tax simplification bill package, which continues Commissioner Tracy Kraft-Tharp's efforts between the legislature and business community to simplify Colorado's state and local sales tax collection system. Six bills in this package will be added this year that will continue to make marginal but needed improvements.

House Bill 1027 would delay a requirement for our smallest retailers to switch from origin sourcing to destination sourcing for sales tax remittance. We are also tracking Senate Bill 32, which would create a single statewide business sales tax license for companies selling into multiple jurisdictions. Again, nothing revolutionary on tax legislation, but positive small steps.

## **Workforce**

The labor shortage continues to be a primary issue for the Colorado private sector, but not one the Capitol can influence greatly without a massive infusion of funding. We are tracking allocation of federal relief funding dedicated to workforce and bills from both parties that impact structural change for education enrollment and career opportunities.

House Bill 1002 expands the current enrollment of the accelerating students through concurrent enrollment (ASCENT) program by allowing each qualified student selected by the local education provider to participate. It also reduces the number of credits to be eligible and repeals requirements to repay unfinished courses.

We are also anticipating bills dealing with second-chance reforms that eliminate or ban barriers for people with a criminal record that prevent them from getting a professional license with the state.

## **Business Liability**

As mentioned, the Workplace Harassment Bill is the major business liability bill for this session. The JCBL is also closely watching Senate Bill 34, which gives the attorney general and secretary of state more authority to verify the authenticity of business identity fraud complaints. Also, HB1119 would create a state False Claims Act that could incentive lawsuits against government contractors.

## **Environmental**

We are expecting soon the introduction of a substitute plan for last year's Employee Traffic Reduction Program. In 2021, the Department of Health drafted a rule to require employers to reduce the single-occupancy vehicle commutes of their workers. The Governor's office pulled the plug on this bill based on the opposition. The new bill is expected to make the program mandatory for the state employees, with incentives for the private sector. The JCBL will continue to track this bill carefully for any proposed mandates on businesses.

A handful of other environmental bills will come this year that may impact businesses, including legislation that offers a tax credit to building owners that convert to electric-powered appliances and bills that change the standards on local residential and commercial building codes regarding energy efficiency.

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**The Jefferson County Business Lobby advocates as the unified voice of 3,000 Jefferson County businesses for public policies that strengthen our business climate. The JCBL is a partnership comprised of the Arvada, Evergreen, Golden, West Metro, Westminster and Wheat Ridge Chambers of Commerce, the Jefferson County Economic Development Corporation, the Applewood and Wheat Ridge Business Associations, and the Alameda Connects BID. The JCBL meets for an update call on the fourth Thursday of each month during session.**