



ADVANCING THE LEGACY

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2019 Legislative Session ~In Review~

The 2019 legislative session ushered in changes in party majority in the Senate and a new Administration for Colorado. Subsequently, new leadership was seated in the Senate and in the House even though the latter still was in Democrat majority.

CCA spent a good amount of time fostering relationships in the legislative body and administration prior to the session in order to communicate greater understanding of beef industry priorities. In the case of the General Assembly, CCA had strong access and understanding due to our historic caliber of work and our approach in representing CCA's membership through our leadership and staff. In short; the membership, speaking with one voice based on grassroots policy, is critical. It is clear, now more than ever, that a strong beef industry business climate is directly dependent on a strong CCA base of members.

In short, CCA classifies this legislative session as a success for Colorado beef producers, while some issues that are indirectly associated with our land and livestock could have yielded better results (Reference SB-181 Oil and Gas and SB-42 Change to Popular Vote from Electoral College). The following is a sample of CCA's priority legislation. A complete list may be accessed at www.coloradocattle.org.

HB19-1092 – (A. Valdez/Ginal) – Animal Ban for Cruelty to Animals Conviction

This bill prohibits a person convicted of felony animal cruelty from owning a pet animal for 3 to 5 years, unless the defendant's treatment provider makes a specific recommendation not to impose the ban and the court agrees with the recommendation. In addition, any juvenile who has been adjudicated of cruelty to animals may be prohibited from owning, possessing, or caring for a pet animal. Finally, this bill creates the option for a court to order an offender convicted of animal cruelty to complete a mental health treatment program as part of the sentence imposed. CCA monitored this bill only after a significant effort to limit the legislation to pet animals only. Initially, the legislation would have covered livestock.

HB19-1218 – (Roberts/Donovan) – Loaned Water for Instream Flows to Improve Environment

The bill also expands the CWCB's ability to use loaned water for instream flows to allow loans to:

- improve the natural environment to a reasonable degree pursuant to a decreed instream flow water right held by the CWCB; or
- preserve or improve the natural environment to a reasonable degree for a stream reach for which the CWCB does not hold a decreed instream flow water right.

CCA worked to significantly amend or stop the legislation due to concerns surrounding expansion of flows to enhance the environment, as well as aspects of an earlier version that would have allowed the flow requirements to be regulated beyond the instream flow reach. The bill ultimately postponed indefinitely.

HB19-1264 – (Roberts, Wilson/Winter, Donovan) – Conservation Easement Tax Credit Modifications

The Conservation Easement Oversight was set to repeal on July 1, 2019; this bill extends the commission and program until July 1, 2026. Additionally, a working group of stakeholders will be convened to study and make recommendations to the following:

- propose statutes and regulations for an alternative method to the existing appraisal process for certifying the value of a conservation easement tax credit;
- develop eligibility criteria and a process to provide retroactive tax credits to taxpayers whose conservation easement tax credit claim was denied in whole or in part from 2000 to 2013; and
- report recommendations to the General Assembly no later than December 1, 2019.

The alternative valuation component was derived from CCA policy with the organization working toward a more fair and equitable value approach for conservation actions provided by conservation easements. The legislation passed.

HB19-1327 – (Garnett, Neville/Donovan, Cooke) – Authorize and Tax Sports Betting Refer Under Taxpayers' Bill of Rights

Conditional upon voter approval, this bill decriminalizes sports betting and places it under the authority of the Division of Gaming in the Department of Revenue and the Colorado Limited Gaming Control Commission. CCA, along with a coalition supporting funding for the Colorado Water Plan, secured a predominant amount of funding from taxation to benefit items such as water storage, compact compliance, infrastructure modernization, etc. This legislation passed, but must also be approved by voters in the 2019 election. This will raise between \$8-28 million dollars per year. This is a great down payment on the \$100+ million needed for water plan funding.

HB19-1329 – (Arndt, McKean/Sonnenberg, Garcia) – Wholesale Sales Agricultural Fertilizer Tax Exempt

This bill includes the sale of fertilizer and spray adjuvants for use in agricultural and livestock production as wholesale sale products, which exempts them from state sales and use tax. Background: until 2014, fertilizer for agricultural producers was exempt from state sales tax based on rules promulgated by the Department of Revenue. The exemption clarified in the rules was removed in 2014, leaving no statutory or rules-based language to exempt fertilizer from state sales tax. This legislation passed in the final two weeks of session due to strong leadership from key agriculture organizations like CCA. Average urea barge price is \$281/ton. That's 15 tons of fertilizer to pay for CCA dues because of sales tax exemption.

HB19-1005 – (Pelton/Lewis) – Cultured Meat Misbranding Terms

Misbranding of beef cuts and beef substitutes, like cell cultured meats, was a high priority of CCA's this session. Initially, CCA worked with the bill sponsor to draft a legislative addition to Colorado's truth in labeling statutes. In the end, due to USDA and FDA alignment, this legislation was

converted to a resolution urging expedient regulatory parameters at the national level. The resolution passed.

SB19-096 – (Donovan/Hansen) – Collect Long-term Climate Change Data

This bill requires the Air Quality Control Commission in the Colorado Department of Public Health and Environment (CDPHE) to promulgate rules by June 1, 2020, requiring greenhouse gas-emitting entities to monitor and publicly report their emissions. The rules must also direct the Air Quality Control Division in CDPHE to update the statewide inventory of greenhouse gas emissions by sector, no less than every two years. CCA opposed this legislation and worked to successfully amend agriculture out of requirements due to exemptions for the industry at the national level. This was a huge success that would have had significant costs to producers. The legislation passed.

SB19-181 – (Fenberg, Foote/Becker, Caraveo) – Protect Public Welfare Oil and Gas Operations

This bill modifies the composition and the regulatory charge of the Colorado Oil and Gas Conservation Commission (COGCC) in the Department of Natural Resources (DNR), expands the regulatory charge of the Colorado Department of Public Health and Environment (CDPHE), imposes new requirements on oil and gas operators, and provides additional regulatory authority over oil and gas operations to local governments. CCA opposed this legislation that ultimately passed.

SB19-186 – (Coram, Donovan/Arndt, Catlin) – Expand Agricultural Chemical Management Program Protect Surface Water

Under current law, the Commissioner of Agriculture is responsible for preventing or remedying the introduction of agricultural chemicals into groundwater through the use of best management practices and agricultural management plans. The Water Quality Control Division in the Colorado Department of Public Health and Environment (CDPHE) and Colorado Cooperative Extension Service at Colorado State University (CSU) consulted with the commissioner in adopting these practices and plans. By changing the term groundwater to state waters, the bill expands the commissioner's responsibility to include surface water. CCA supported this legislation, that passed, as a means of putting a firewall between agriculture producers and CDPHE's rigid regulatory approach.

SB19-188 – (Winter, Williams/Gray, Duran) – FAMLI Family Medical Leave Insurance Program

This bill requires the Department of Labor and Employment (CDLE) to perform or contract for analyses concerning the implementation of a paid family and medical leave program for all employees in the state. It also creates a task force to make recommendations on program implementation. All analyses are required to presume a paid family and medical leave program that is established by July 1, 2020; begins education and outreach on January 1, 2022; establishes a funding stream on January 1, 2023; and starts paying benefits on January 1, 2024. CCA opposed this legislation that originally was not a study but a costly and business-ending mandate on workers and employers in Colorado. The task force approach ultimately passed.

SB19-212 – (Rankin/Esgar) – Appropriation General Fund Implement State Water Plan

The bill codifies the Water Plan Implementation Grant Program and establishes criteria for expenditures. The bill appropriates \$10 million from the General Fund to the DNR for FY 2019-20. Of this total, \$8.3 million is for grants to be awarded by the board and is available until the completion of the projects financed by the grants or the close of FY 2021-22, whichever comes first. The remaining funding, \$1.7 million, is for stakeholder outreach and technical analysis to develop a water resources demand

management program and is available for FY 2019-20 only. CCA supported this legislation that ultimately passed.

Actions that Did Not Result in Legislation

- CCA led an effort to communicate to legislators that board and commission members with agriculture criteria for appointment should be upheld by the Administration. CCA's primary concerns at the time focused on the Parks and Wildlife Commission. Members communicated their concern, and they were heard, and the appointee was not confirmed this session.
- Several proposals for wolf reintroduction were stopped just short of bill language this session. CCA partnered with other key opponents in reasoning with legislators that this was not a responsible approach to species management.
- The First Gentleman organized the People for Animal Welfare (PAW) commission. While this commission holds no formal status in law, it is still of concern to CCA. CCA has engaged members of PAW to ensure, for the time being, that livestock or "animal rights" are not part of their focus. CCA will not be requesting livestock representation on the commission, but will be providing resources and close monitoring to the commission.

In closing, CCA led from the front – based on our historic foundation of policy, trust and responsibility. Livestock producer's benefit is invaluable from this association regardless of them being a member or not. If these issues are of value to the future of Colorado's beef industry... support of CCA will surely follow. A special thanks goes out to our lobby team of Danny Williams and Landon Gates. Also, to those who testified, made calls and engaged in our process of governance.