



2021 Legislative Wrap-Up: Celebrating Historic Wins for Working Families

In an unprecedented year, with a legislative session that felt like it lasted a year and a half, we finally find ourselves on the other side, with some truly historic and long fought wins on our end.

The 2021 legislative session can be categorized as one that saw the years-long, even decades-long work of advocates and community members finally bear its fruits. From tax reform, to immigration justice, and health access, CFI along with many partners, advocates and legislators, made the 116 days of session worth the while. (Note: Despite pausing the session from January until mid-February, lawmakers ended up finishing earlier than the 120 days they have allotted for legislative work.)

The following bills will be critical in helping Colorado working families build back better as we continue to come out of the pandemic and all the heartache and hardship that this time has brought with it.

Tax Fairness: Putting Colorado's Working Families Over Corporations

This year, the fight for tax fairness saw the biggest and most transformative win we've seen in decades. Sponsored by Rep. Emily Sirota, Rep. Mike Weissman, Sen. Dominick Moreno, and Sen. Chris Hansen, [HB21-1311](#) and [HB21-1312](#), The Tax Fairness for Coloradans package, will clean up and modernize our state tax code, making it fair for all Coloradans by closing tax loopholes for big corporations and the wealthy. The package puts Colorado working families first by increasing and expanding access to the state Earned Income Tax Credit (EITC), funding the state Child Tax Credit (CTC), and giving tax relief to small businesses across the state. This package builds on the idea that workers, families, and small businesses and their billions of transactions and connections make our economy flow. If people with the most barriers to wealth and prosperity aren't doing well, then the economy isn't doing well.

The Tax Fairness for Coloradans package didn't happen overnight. For the past 22 years, advocates, parents, community members, and legislators have worked to expand tax credits that are proven to support Colorado's working families beginning with the passage of a state EITC in 1999, paid for when the state experienced a TABOR surplus and rebates were given out. Since then, advocates have tried 10 different times to further expand on these credits, most of which did not get across the finish line. Finally, in 2013, SB13-001 made the EITC permanent and created a state child tax credit. This year not only did we expand the number of Coloradans eligible for the EITC, we finally funded our state CTC. This win is incredibly important in creating systemic change. Funding for these tax credits comes from closing tax loopholes for big corporations and the wealthy and that state analyses (pushed for by CFI) showed aren't creating jobs, growing the economy, or benefitting Coloradans broadly. This enormous victory would not have been possible without the years of advocacy and work from our coalition partners, parents, and legislative champions. The tax package is now on its way to the Governor's desk for his signature.



Signing of the Tax Fairness for Coloradans Package on June 23, 2021.

HB21-1077 Legislative Oversight Committee Concerning Tax Policy. At the heart of CFI's work and advocacy for tax fairness is strong and reliable data. That's why we've worked for years on policies that create tax transparency. In 2011, we supported legislation that created Colorado Tax Profile and Expenditure Reporting which directs the Department of Revenue (DOR) to compile data about state tax expenditures and our state tax structure and how those tax expenditures affect different income groups. In 2016, we helped pass SB16-203 which directed the Office of the State Auditor (OSA) to evaluate all of the state's tax expenditures and determine if they are achieving their original objectives. These two bills played a key role in the passage of the Tax Fairness for Coloradans package this year, and HB21-1077 will build on that work. This bill will put the information published by OSA to good use by codifying complementary groups to regularly review and act on that critical information. The legislation creates a legislative committee to recommend changes to the state tax code and a citizen task force to provide a broad cross-section of perspective on tax policy decisions to be made by the legislature and voters. HB21-1077 passed and is on its way to the Governor's desk for signing.

In addition to supporting legislation that promotes equity and widespread prosperity, we also continued our defensive work. Every year, we see tax policies introduced that would only make our already upside-down tax code even more unfair. Caroline Nutter, CFI's tax policy analyst, was always ready to testify against these harmful tax bills:

HB21-1080 Tax Credit for Private School Costs. CFI worked with our education partners against a bill to create an income tax credit for private school tuition and scholarship costs. In committee, we argued that the bill would disproportionately benefit high-income taxpayers, both because wealthier taxpayers make up the majority of private school attendance, and also because it would allow donors to dramatically reduce or completely eliminate their tax liability to the state of Colorado. The bill failed in committee.

HB21-1113 Income Tax Deduction for Military Retirement Benefits. This bill would have extended and expanded a temporary income tax deduction for military retirement benefits for those under 55 years old, and would have raised the cap on the deduction from \$15,000 to \$20,000. CFI found that this bill did not appropriately target issues that veterans in Colorado face; namely, mental health issues and homelessness. In committee, CFI argued for investing more money into critical public services that could better serve veterans and their families rather than allowing high-earning veterans to lower their tax bills. The bill died in committee.

Immigrants are ALWAYS Welcome Here

The 2021 legislative session saw broad recognition that immigrants are inextricably woven into the social and economic fabric of Colorado. The Colorado legislature passed bills that righted historic wrongs, granted basic human protections, gave relief to immigrant families so cruelly left out of federal COVID aid, and established pathways for thoughtful integration and inclusion of everyone who contributes to our economy and communities, no matter what they look like or where they were born.

SB21-233 Colorado Department of Labor and Employment Unemployment Insurance Division Enterprise. CFI's priority immigration-related bill with the Colorado People's Alliance and Left Behind Worker fund, as introduced, would have created a permanent unemployment assistance program for immigrant workers without authorization who lose their jobs through no fault of their own. Federal law prohibits workers without documentation from collecting unemployment benefits even if their employers pay premiums on their behalf and they are otherwise eligible.

The pandemic revealed this gap in the unemployment insurance system as immigrant workers concentrated in hospitality, resorts, agriculture and construction who were hard-hit by the pandemic but left out of this critical aid all other jobless Coloradans were eligible to receive. SB21-233 was amended to require that CDLE and the newly created Office of New Americans devise a feasible method of financing and administering such a program and provide recommendations to the legislature for 2022. \$15 million in General Fund money was allocated to the Left Behind Worker Fund to pilot a potential program and address CDLE concerns. Over the summer, CFI will work with an array of stakeholders to ensure that this important economic safety net catches all workers, regardless of immigration status, during the next recession.

HB21-1194 **Immigration Legal Defense Fund.** A priority for our partners at the Colorado Immigrant Rights Coalition (CIRC), this bill will appropriate \$100,000 to create a fund to provide immigrants with legal representation in U.S. Immigration Courts. CFI's report A Matter of Justice detailed the moral, budgetary, and economic importance of ensuring that all people moving through our Kafkaesque immigration court system are represented by an attorney. HB21-1194 is on its way to the Governor's office for signature.

SB21-199 **Remove Barriers to Certain Public Opportunities.** During a 2006 special session, the Colorado General Assembly, passed a slate of hateful, anti-immigrant legislation that prevented undocumented immigrants from fully participating in Colorado's economy and communities. These laws created unnecessary hardship for families, unreasonable burdens on businesses and local governments, and confusion and expense for individuals and organizations across the state. Since 2006, Colorado has slowly repealed most of these laws, including being the first state in the nation to repeal its "show-me-your-papers" law. One of the last remaining barriers was established by HBS06-1023, a bill that implemented a state requirement for people to provide documentation of lawful presence to receive certain public benefits such as grants, welfare or food assistance, contracts, unemployment benefits, public housing, or healthcare. The law, intended to mirror federal law, created confusion and cost as public institutions sought to comply with and implement the requirements. The 2006 laws had a number of unintended consequences and a pervasive chilling effect on families and on industries that rely on immigrant workers, preventing them from participating fully in our economy. SB21-199, the priority bill of a broad coalition coordinated by the Colorado Statewide Parent Coalition, repeals this lawful presence documentation requirement for state and local benefits. The passage of SB21-199 is a long overdue recognition that immigrants are an integral part of our communities and that allowing all people to fully participate in our economy drives prosperity for us all.

SB21-077 Remove Lawful Presence Verification for Credentialing. SB21-077, the companion bill to SB21-199, removes the lawful presence verification for credentialing and certain state licenses. Many in-home child care providers were unable to be licensed because of this unnecessary restriction, contributing to a lack of affordable, qualified child care options for many families in Colorado, particularly parents who earn low incomes and receive child care assistance, or those who live in more remote areas of the state. Dismantling this barrier will provide opportunity and economic benefit to every part of the state, as more immigrants will be able to share their talents and services with their communities. SB21-077 was signed by the Governor on May 27, 2021.

Other key bills that CFI supported include SB21-242 which provides housing assistance grants, funding for the Left Behind Worker Fund, and emergency relief to Coloradans experiencing hardship due to COVID19 regardless of immigration status. SB21-131, another CIRC priority bill, requires that state agencies not share immigration status information with federal immigration enforcement authorities except as required by law, warrant, subpoena or judicial order. SB21-009, a great achievement of a coalition spearheaded by COLOR, provides counseling and contraception to immigrants who are ineligible for Medicaid (the state federal health care program for people who earn low-incomes). SB21-087 institutes basic labor protections, like meal breaks and rest periods, for agricultural workers, many of whom are migrants. The bill was passed and awaits the signature of the Governor. Finally, HB21-1150 formally creates the Office of New Americans in the Colorado Department of Labor and Employment. This office is charged with looking at comprehensive strategies to integrate and welcome immigrants into Colorado. It is a strong acknowledgement that Colorado recognizes the ways immigrants supercharge our economy and are an inextricable part of our state's vitality. Dismantling barriers and coordinating opportunities for all people who call Colorado home is an important economic strategy for recovery and our state's long-term economic prosperity.

Environmental Justice is Racial Justice

HB21-1266 Environmental Justice Disproportionate Impacted Community. HB1266 makes progress toward achieving Colorado's science-based climate goals (26% reduction in greenhouse gas emissions by 2025 and 50% reduction by 2030) in a more equitable way. The bill is a combination of elements of SB21-200 and the original HB21-1266.

This bill defines "disproportionately impacted community" and requires the Air Quality Control Commission (AQCC) to promote outreach to and engage with disproportionately impacted communities and transparently share information about adverse effects resulting from its proposed actions. The bill also creates the environmental justice action task force in the Department of Public Health and Environment (CDPHE), which will propose recommendations to the general assembly regarding a practical means of addressing environmental inequities. Moreover, this bill creates the environmental justice ombudsperson and advisory board within the CDPHE to advocate for disproportionately impacted communities and act as a liaison between communities and the department. The bill also directs the AQCC to establish a fee on greenhouse gas emissions and to adopt and implement rules limiting greenhouse gas emissions from certain sectors. Finally, the bill directs the AQCC to update permitting requirements for sources that affect disproportionately impacted communities, and requires electric utilities to file clean energy plans with the Public Utilities Commission. HB21-1266 passed and is on its way to the Governor's desk for signing.

HB21-1189 Regulate Air Toxics. This bill expands the monitoring requirements for certain stationary sources of air pollutants (covered facilities) and authorizes the AQCC to list additional hazardous air pollutants. These pollutants include benzene, hydrogen cyanide, and hydrogen sulfide. The bill directs the AQCC to, at least every 5 years beginning in 2027, consider adding new covered air toxics and additional stationary sources to the definition of covered facilities. Currently, the covered facilities included in the bill are Suncor (Commerce City), Phillips 66 Terminal (Commerce City), Sinclair Terminal (Henderson) and Goodrich Carbon (Pueblo).

The bill requires covered facilities to conduct fenceline monitoring of covered air toxics (monitoring of the air toxics along the facility boundary). Covered facilities are responsible for covering the costs of fenceline monitoring and must provide a processing fee to CDPHE for the costs of reviewing and approving monitoring plans. The bill also requires CDPHE to conduct community-based monitoring of covered air toxics for at least 30 cumulative days each quarter. CDPHE is required to hold public hearings to consult community members on fenceline monitoring plans. HB21-1198 passed and is on its way to the Governor's desk for signing.

Transportation Log Jam Finally broken

SB21-260 Sustainability of the Transportation System. The 2021 Colorado General Assembly approved significant increases in funding for transportation services and related costs. This major transportation legislation sets the stage for over \$5.4 billion in funding by increasing fees by \$3.8 billion over the next 10 years and directing state and federal dollars to transportation to make up the other \$1.6 billion.

One of the fees authorized in the bill is a new road usage fee of 2 cents per gallon of gasoline and diesel fuels, increasing to 8 cents per gallon in 2028. It includes an inflation adjustment beginning in 2031. This fee will supplement revenue raised by the current motor fuels tax. A 27 cent delivery fee will be added to deliveries of most items currently subject to state sales tax, which includes delivery of food from restaurants but not groceries. The bill gradually increases the current \$50 annual registration fee paid by electric vehicle (EV) owners. When fully implemented a decade from now, the additional fee for EVs will be an additional \$96 annually, adjusting for inflation each year following. Services like Lyft and Uber will also see an additional fee of 30 cents a ride but if a zero-emission vehicle is used, the fee will only be 15 cents per ride. Finally, the bill adds a \$2 per-day fee to car rentals of less than 30 days. That fee will also increase with inflation.

Revenue raised from the bill will be used for new state highway projects (\$2 billion), local highway projects (\$927 million), debt payment for current transportation bonds (\$855 million), expanded funding for multimodal transportation, (\$249 million) enhancements to promote and support conversions to electric vehicle usage (\$734 million), to fund air pollution mitigation in the Denver Metro Area (\$234 million) and to support highway improvement along rural area main streets (\$115 million). The Air Pollution Mitigation fund will focus on Metro Area projects to increase compliance with federal ozone limits with a special focus on neighborhoods near highways where there are high concentrations low-income households of color.

The legislature's action represents real progress on transportation infrastructure funding. While providing much-needed revenue for those enhancements, the measure also addresses concerns about increasing revenue and its effect on funding for the whole set of state priorities by restoring the Referendum C cap to its voter approved level. Another valuable improvement creates an office of environmental justice and equity in the Colorado Department of Transportation that can elevate equity considerations in decisions about the state's transportation future. SB21-260 passed and is on its way to the Governor's desk for signing.

Health is Wealth

HB21-1232 Standardized Health Benefit Plan Colorado Option. CFI supported longtime health justice advocates, including the Colorado Consumer Health Initiative (CCHI) and other partners, to ensure that HB21-1232 made it across the finish line. CFI supports these efforts because we know that health disparities continue to run deep in our healthcare system, which especially hurts communities of color and people who earn low incomes. A long-fought battle, this bill will create a standardized plan that private health insurance carriers must offer starting on January 1, 2023, in order to make health insurance more affordable for individuals and small businesses. It will also make affordable health care accessible to immigrant communities, rural populations, and others who are uninsured or underinsured. Analysis of this bill shows that this reduced premium plan can lower economic and health disparities by ethnicity, race, education, geography, age, and income for Coloradans who choose to use the plan. HB21-1232 has already been signed by the Governor.

SB21-175 Prescription Drug Affordability Review Board. This bill was another important measure in the health care justice fight, and was also led by CCHI. It will create an independent board with five experts who will have the power to investigate, review, and establish more affordable costs for the most unaffordable drugs in Colorado. Too many Coloradans, particularly people of color and Coloradans who earn low and moderate incomes, are likely to have many chronic conditions that require costly prescription drugs. The disproportionate number of Black, Indigenous, and Latinx Coloradans who have these conditions is yet another example of structural racism and other oppression. Unfortunately, these same Coloradans are more likely to be uninsured or underinsured, making it incredibly difficult to pay for costly prescription drugs. For CFI, supporting the passage of SB21-175 was a no-brainer, as we know that healthy communities and a thriving economy can only be achieved when Coloradans are physically, emotionally, and mentally healthy. This bill has already been signed by the Governor.

HB21-1198 Health-care Billing Requirements for Indigent Patients. CFI submitted testimony in support of this critical bill in the fight for health care justice. Led by our longtime partners at the Colorado Center on Law and Policy (CCLP), Hb21-1198 will prohibit the cruel practice of medical debt collection that harm Coloradans who earn low-incomes by preventing overcharging of patients, ensuring hospitals screen patients for assistance, prohibit collections unless hospitals take steps to protect patients, and ensure all patients have access to information about their rights in their primary language. This bill is a strong step in the right direction to ensure that Colorado's working families, especially families of color, have access to financial assistance and do not have to worry about choosing between their health or unmanageable medical debt. HB21-1198 passed and is on its way to the Governor's desk for signing.

Housing for All

SB21-173 Rights in Residential Lease Agreements. CFI continued to support longtime housing partners 9to5 Colorado, the Colorado Coalition for the Homeless (CCH), and others in the fight to ensure housing for all Coloradans. This bill will create guardrails against predatory fees and unjust eviction practices. It will protect Colorado tenants and mobile home residents by requiring transparency about late fees, limiting late fees to a certain percentage or dollar amount, creating a reasonable grace period for unpaid rent before a late fee can be charged, and ensuring protections throughout the eviction process, among many other provisions. The bill has passed and is on its way to the Governor's desk for signing. Once signed, the new law will take effect starting October 1, 2021.

SB21-293 Property Tax Classification and Assessment Rate. One of the last bills introduced in the 2021 legislative session addressed some property tax challenges created by rapidly rising home values and a new policy environment since voters repealed the Gallagher Amendment in 2020 by passing Amendment B.

The bill subdivides the two property tax classes under current law into subclasses. For the current residential property class, there will be two subclasses: single family and multi-family. For the current non-residential class, there will be three subclasses: lodging, renewable energy, and commercial/vacant/industrial and agriculture. Currently all residential property is assessed at a rate of 7.15% and all non-residential property is assessed at a 21% rate. This bill changes the assessment rates for many of the subclasses. Some of those changes are temporary and one change is permanent. Property falling into the commercial class will continue to be assessed at 29%. Lodging property will be permanently assessed at 26.4%. Agriculture and renewable energy property will be assessed at 26.4% for 2022 and 2023 with the rate returning to 29% in 2024. For single family homes, the assessment rate will drop to 6.95% for 2022 and 2023 returning to 7.15% in 2024. For multi-family dwellings, the rate will fall to 6.80% for 2022 and 2023 and will return to 7.15% in 2024.

This bill was developed with the backdrop of the threat of a November 2021 ballot measure (Initiative 27) to reduce all assessment rates. If the rate reduction measure qualifies for the ballot and is passed by voters, all assessment rates as passed in SB21-293 will prevail except that lodging property will be permanently assessed at 26.4% and multi-family property will permanently be assessed at 6.5%.

Colorado's calcified tax policy and ballot measure law results in the potential for a lot of voter confusion should Initiative 27 qualify for the ballot. While there was an attempt to provide voters with additional information about the impact of SB21-293 on the ballot measure, the notification requirement is insufficient to provide advance notice to voters about the impact of Initiative 27 on property tax collection and public services in their area. SB21-293 passed and is on its way to the Governor's desk for signing.

More bills in the fight towards a more equitable and economically prosperous Colorado

CFI testified on and/or supported the following bills led by our partner organizations because they will play a critical role in building and sustaining healthy communities and growing a strong economy.

HB21-1314 Department of Revenue Action Against Certain Documents. CFI supported the ACLU in their fight towards justice for criminal justice-involved people. The bill will limit driver's license cancellations to circumstances when public safety requires it. Today, too many Coloradans who earn low and moderate incomes face driver's license suspension due to unpaid court fines and fees, leaving many stuck in a perverse cycle of debt that can lead to poverty. Further, data from the Colorado State Judiciary report finds that from January 2010 to June 2016 there is a balance of nearly \$9 million due in unpaid fines and fees, affecting both communities and local economies. This bill will help ensure that Colorado takes a strong step in the right direction towards preserving true public safety and one that is also fiscally responsible. HB21-1314 passed and is on its way to the Governor's desk for signing.

HB21-1201 Transparency of Telecommunications Services in Correctional Facilities. Another ACLU priority that CFI supported involved capping the cost of phone calls from jails, detention centers and correctional facilities within the state to federal standards, and providing greater accountability and transparency of jail phone costs by granting the state Public Utilities Commission oversight authority. For CFI, HB21-1201 puts reasonable limits on the sometimes usurious fees that people involved in Colorado's jail system pay to make phone calls, helping to ensure that fines and fees do not kick off a vicious cycle of hardship and poverty. CFI sees HB21-1201 as a basic budget transparency bill. It creates reasonable caps on fees and requires reporting, which means that kickbacks and commissions that phone providers award to local jails don't play an outsize role in a local government's ability to provide basic public services. HB21-1201 is on its way to the Governor's office for signature.

SB21-057 Private Lenders of Student Loans Acts and Practices. Our partners at New Era Colorado led the effort to pass and create policy that protects thousands of borrowers from predatory private lenders. Adding more information, education and accountability for private student loans can help students make decisions about their future and start addressing the crippling student debt too many Coloradans are struggling to pay back. At CFI, we know access to higher education is vitally important, not just because people with college degrees and certificates can earn more money, but because Colorado is more competitive economically when we have enough highly educated and trained professionals in our workforce. SB21-057 passed and is on its way to the Governor's desk for signing.

SB21-148 Creation of Financial Empowerment Office. Access to financial literacy is critical in order for Coloradans and their families to build wealth, gain access to social capital, and live economically prosperous lives. Unfortunately, access to financial literacy and access to wealth building tools such as banking, loans, and credit have not been made universally available to people of color and working class people of all races. That is why this year we supported longtime partner The Bell Policy Center on SB21-148, which will create the Financial Empowerment Office within the Department of Law. The office will partner with governmental bodies, community organizations, financial institutions, local service providers, philanthropic organizations, and other organizations to help grow the financial resilience of Coloradans by expanding access to safe and affordable banking and credit, and free individual financial counseling and coaching, as well as developing stronger consumer protections, particularly for people of color and people who earn low incomes. SB21-148 passed and is on its way to the Governor's desk for signing.

HB21-1321 Voter Transparency in Ballot Measures. In the continued fight for voter transparency around tax policy, CFI supported Rep. Mike Weissman, Great Education Colorado, and others for the passage of this important ballot language reform bill. Hb21-1321 makes several changes to the information provided to voters when voting on tax measures. Among other provisions, it requires the state Title Board to include specific language when a measure increases or decrease state or local tax revenue including:

- For measures that increase tax revenue for any district, including the state, cities, counties, school districts, or special districts, the ballot title must include specified language concerning increases or improvements in the level of public services funded by the measure.
- For measures that decrease state tax revenue, the ballot title must include specified language concerning the three largest areas of program expenditures impacted by a reduction in revenue, and specify the amount of the estimated decrease.
- For measures that decrease local property tax revenue, the ballot title must include specified language about the types of local districts affected and an estimate of the statewide decrease in property tax revenue.
- For measures that increase or decrease the state individual income tax rate or the state sales tax rate, the Title Board is required to include the tax impact table prepared by LCS in the ballot title.

The bill passed and is on its way to the Governor's desk for signing.