

Memo

To: City and County of Denver
From: Brandeberry McKenna Public Affairs (BBMK)
Date: March 17, 2017
Re: Weekly Update

CONSTRUCTION DEFECTS

We are anticipating the introduction of a bi-partisan construction defect bill limited to informed consent and disclosure this week.

SB17-045 Construction Defect Claim Allocation of Defense Costs sponsored by Senators Grantham and Williams and Reps. Duran and Wist is waiting to be scheduled in the Senate Appropriations Committee. SB45 is a bipartisan measure concerning a requirement for the equitable allocation of the costs of defending a construction defect claim.

SB17-156 Homeowners' Association Construction Defect Lawsuit Approval Timelines sponsored by Senator Hill and Reps. Wist and Saine. This bill is supported by the Homeownership Opportunity Alliance. The bill requires written consent from a majority of homeowners in an association prior to initiating litigation, disclosure of the costs and duration of litigation and a process for alternative dispute resolution. *The bill was assigned to the House State Affairs Committee.*

SB17-157 Construction Defect Actions Notice Vote Approval sponsored by Senator Angela Williams and Rep. Melton. This bill states that before a homeowners' association (HOA) can bring a lawsuit against a developer or builder in a construction defect case, the HOA's executive board must first obtain approval from a majority of the unit owners. In seeking prior approval, the bill details various disclosures that must be made to unit owners and limits the amount and type of contact that a developer who is subject to the lawsuit may have with the unit owners in the HOA. *The bill was postponed indefinitely.*

CIVIL FORFEITURE

We are waiting for the introduction of a 2nd bill on civil forfeiture that will be sponsored by Senators Neville and Kagan and Reps. Herod and Humphrey.

LIQUOR

HB17-1123 Extend On-premises Retail Alcohol Beverages Sales Hours sponsored by Reps. Lebsock and Thurlow and Senator Marble. Under current law, it is illegal for a person licensed to sell alcohol beverages for on-premises consumption to sell, serve, or distribute any alcohol between the hours of 2 a.m. and 7 a.m. The reengrossed bill allows a local government to extend the hours during which alcohol beverages for on-premises consumption can be sold at licensed establishments within its jurisdiction, and adds an exception to the crime if the jurisdiction extends the hours. The bill is on the 2nd reading calendar in the Senate. The Governor has expressed concerns about the bill and it is unclear if he will sign the bill should it pass.

SB17-199 Retail Liquor Stores Additional Licenses sponsored by Senators Neville and Kerr and Reps Winter and Liston. *The bill was referred amended to Senate Finance and is scheduled for hearing Tuesday, March 21st.*

MARIJUANA

SB17-192 Marijuana Business Efficiency Measures sponsored by Senator Neville and Reps. Melton and Singer. This bill allows for the delivery of medical marijuana, concentrate, and infused products, and retail marijuana and retail marijuana products to private residences, as well as a single-instance transfer of retail marijuana and retail marijuana products from a retail marijuana licensee to a medical marijuana licensee. The bill also moves the authority and timing of the determination of the average market rate of retail marijuana used to calculate excise taxes. *The Senate Finance Committee struck all delivery provisions from the bill. The bill passed and is on 2nd reading in the Senate.*

SB17-184 Private Marijuana Clubs Open and Public Use sponsored by Senator Gardner and Rep. Pabon. The bill, written by CML, authorizes the operation of a private marijuana club only if the local jurisdiction has authorized clubs. *The bill is scheduled for hearing in House Finance on Monday March 20th.*

HB17-1220 Prevent Marijuana Diversion to Illegal Market sponsored by House Majority Leader Becker, Rep. Wist and Senators Gardner and Priola. The bill places a cap on the number of plants that can be possessed or grown on a residential property at 12 plants in the aggregate, with 6 or fewer being mature. A medical marijuana patient or primary caregiver who cultivates more than 12 plants must cultivate the plants in compliance with applicable city, county, or city and county law. The bill requires a patient or primary caregiver cultivating medical marijuana to comply with all local laws, regulations, and zoning requirements. *The bill was amended to increase the cap to 16 plants. The bill has not yet been scheduled for hearing in Senate.*

OPEN RECORDS

SB17-040 Public Access to Government Files sponsored by Senators Kefalas and Gardner and Rep. Pabon. The bill concerns public access to digital database records. *The bill passed the Senate Appropriations Committee with the Judiciary Department included.*

HB17-1177 Mediation for Disputes Arising Under CORA sponsored by Reps. Wist and Garnett and Senator Cooke. This bill is intended to encourage record requesters and governmental entities to resolve disputes through mediation rather than in the court system. The bill would require the requesters and record custodians to evenly split the cost of hiring a mediator. *A strike below amendment was adopted by the Committee that simply requires a meeting or call between the records custodian and requestor after a denial of a request but before filing a request with district court to resolve a dispute. The meeting may include recourse to any dispute resolution agreeable and paid for by both parties.*

SALES TAX/TAX RELATED BILLS

SB17-112 Sales & Use Tax Payment to Wrong Local Government sponsored by Senator Neville and Rep. Pabon. This bill was introduced to address the statute of limitations in the case of taxes paid erroneously to a local jurisdiction and is being proposed by Rent-a-Center. *The bill is scheduled for hearing on Wednesday in House Local Government. The amendment, worked out with Denver and CML, will be added to the bill in committee.*

HB17-1216 Sales and Use Tax Simplification Task Force sponsored by Reps. Kraft-Tharp and Sias and Senators Neville and Jahn. The bill creates the sales and use tax simplification task force, made up of legislative members and state and local sales and use tax experts. The bill requires the task force to study sales and use tax simplification between the state and local governments, and in particular between the state and home rule jurisdictions. *The bill is scheduled for hearing in House Business Affairs and Labor Committee on Tuesday March 21st. We are working with proponents on language to clarify that the committee created by the bill will not be seeking a constitutional change.*

TRANSPORTATION

HB17-1242 New Transportation Infrastructure Funding Revenue sponsored by Speaker Duran, Rep. Mitsch Bush, Senate President Grantham and Senator Baumgardner. The bill requires a ballot question to be submitted to the voters of the state at the November 2017 statewide election that seeks approval for the state to temporarily increase the rate of the state sales and use tax for 20 years beginning in 2018. If the voters approve the temporary sales and use tax rate increase, the new revenue generated is allocated solely for transportation infrastructure funding purposes, with specific projects to be funded required to be included in the 2017 ballot information booklet provided to the voters of the state. *The bill is scheduled for hearing on Wednesday, March 22nd in House Transportation & Energy Committee.*

SB17-205 Multimodal Transportation Infrastructure Funding sponsored by Senator Kefalas and Rep. Rosenthal. This bill requires the Transportation Commission to submit a ballot question to the voters that if approved would authorize the state to increase state sales and use tax to fund and finance transportation projects including passenger rail. *BBMK attended a stakeholder meeting convened by Senator Kefalas. During this meeting the bi-partisan*

transportation legislation was discussed, causing the Senator to remain undecided on whether to proceed forward with the legislation. The senator has been given late bill status.

OTHER BILLS

SB17-014 Limits on Underground Storage Tank Regulation sponsored by Senators Baumgardner and Coram and Rep. Becker. The bill prohibits the inspection of and the charging of inspection fees for underground storage tanks. *This bill was laid over in the House Transportation Committee so that the sponsor could hold a meeting with stakeholders on the bill. The bill is scheduled for hearing on Thursday, April 13th.*

HB17-1162 Outstanding Judgments and Driver's Licenses sponsored by Rep. Gray. This bill repeals the current penalties for failing to appear at a hearing or failing to pay the fine for certain traffic infractions. It also provides the courts with the option of withholding a driver's state income tax refund to satisfy an outstanding judgment. *The bill is assigned for hearing on Thursday March 23rd in the House Judiciary Committee.*

SB17-078 Residential Storage Condo Unit Property Taxation sponsored by Senator Gardner and Reps. Van Winkle and Melton. This bill treats storage units as residential property for property tax purposes if the unit is owned by an individual condominium; if its owner stores items related to the owner's residence; if the unit is not used for storage related to a business; and if the owner submits an affidavit to the county assessor that all conditions are met. *This bill passed 3rd reading with no amendments.*

SB17-245 Tenancies One Month to One Year Notice sponsored by Senator Priola and Rep. Pabon. Currently, a tenancy of one month or more but less than 6 months, may be terminated by either party with 7 days' notice. The bill extends the notice to 21 days. The bill also requires 21 days' notice for a landlord to increase rent in tenancies of one month or longer but less than one year. *The bill has been assigned to Local Government and it not yet scheduled for hearing.*