



Colorado Springs Utilities  
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**Date:** March 20, 2020  
**To:** Utilities Board  
**From:** Aram Benyamin, Chief Executive Officer   
**Subject:** **Communication to Utilities Board**

1. Legislative Update  
(See attachment)

Attachments:  
-Attachment 1 (Legislative Update)

c: Officer Team



### State Legislation

### 2020 State Legislative Tracking

The Colorado General Assembly held a rare Saturday Session and adopted a joint resolution to temporarily adjourn until March 30, 2020 in response to the coronavirus pandemic. Colorado's Constitution limits a legislative session to 120 calendar days, and as of Saturday, only 53 days remain before and the session is scheduled to adjourn sine die on May 6.

With the temporary adjournment, there is a question as to whether the 120 calendar days must be counted consecutively, or whether the Legislature can "stop the clock" during this unprecedented suspension of the session. Accordingly, the General Assembly is requesting the Colorado Supreme Court to issue an opinion on this question. This question is crucial because as of close of business on March 13, a total of 355 bills remain pending as of Friday; and there were 2 new bills introduced in the House and 11 new bills introduced in the Senate.

On top of this backlog of bills, every legislature has essentially three critical bills to pass each year: the budget bill, the school finance act, and the rule review bill. Neither the budget bill nor the school finance act have been introduced yet and will await the return of the legislature. The FY20-21 budget must be passed on advance of the start of the new fiscal year on July 1. However, given the sudden crash of the stock market, general economy and oil and gas prices, it is becoming increasingly clear the budget may need to be adjusted downward by as much as \$500 million to \$1 billion.

Regardless of the Supreme Court ruling on consecutive legislative days, the Governor can still call a Special Session of the Legislature after its adjourned. This means there is the likelihood that we could see continued state legislative action over the summer as the majority party seeks to pass key pieces of its legislative agenda ahead of the 2020 elections.

#### **HB20-1265 Increase Public Protection Air Toxics Emissions**

(Rep. Benavidez, D-Denver) (Rep. Valdez, D-Denver)

(Sen. Gonzalez, D-Gardner) (Sen. Moreno, D-Commerce City)

This bill creates a new program to regulate emissions of a subset of hazardous pollutants. It mandates that the CDPHE set standards more strictly than the federal government and permits the Air Quality Control Commission to add new emissions to the air toxics list as they deem appropriate. As introduced, the bill has a multimillion-dollar fiscal note. The bill was amended to impose significant new restrictions on any entity that has exceeded the new thresholds envisioned in the bill at any time over the past 10 years. Government Affairs has met with the proponents and bill sponsors to express our concerns and we are negotiating language to limit the scope of the bill. However, given the upcoming financial challenges in the budget, this bill appears to be on shaky ground. (OPPOSE)

#### **HB20-1025 Sales Tax Exemption Industrial and Manufacturing Energy Use**

(Rep. Benavidez, D-Denver) (Rep. Snyder, D-Manitou Springs)

(Sen. Court, D-Denver) (Sen. Tate, R-Centennial)

The bill modifies the energy sales exemption to only apply when the energy is used by a metered machine. Revenue and billing SMEs would like to see the bill killed and request the department of revenue to simplify the process at the regulatory level. This bill will have an impact on our commercial and industrial customers. Based on SME feedback, we are seeking a revision to remove any implication that a utility is responsible for evaluating or approving exemptions. The bill is facing increasing opposition from the State Chamber and its members. (AMEND)

MARCH 20, 2020



## Federal Legislation

Congress is eyeing potentially hundreds of billions of dollars in emergency spending to combat the new coronavirus and its economic effects. The House approved the legislation over the weekend with bipartisan support before leaving for at least an 11-day recess. It was backed by the White House after arduous talks between Speaker Nancy Pelosi (D-Calif.) and Treasury Secretary Steven Mnuchin.

The House bill pays for virus testing, bolsters unemployment and food assistance, and will send tens of billions in new aid to states. Its centerpiece gives workers at companies with fewer than 500 employees up to 12 weeks of paid family and sick leave to deal with issues involving the coronavirus, including staying home to care for children home from school. The tax credits for paid family, sick and medical leave in the virus bill would cost nearly \$104.9 billion, according to the Joint Committee on Taxation. The Senate passed the multibillion-dollar emergency aid package on Wednesday. The legislation now heads to President Donald Trump's desk.

The Senate will now begin negotiating on a third, much larger stimulus package to address the shortcomings of the House package and could inject \$1 trillion into the economy. Senate Majority Leader Mitch McConnell has said the Senate will not leave Washington until it finishes the deal. Treasury Secretary Steven Mnuchin has released the outlines of a proposal, a substantial part of that would go to direct payment checks to individuals.

The House has begun working on additional legislation to deal with the economic fallout of the coronavirus. The bill may include language preventing electric, gas, and water shutoffs during the national emergency. No language has been drafted yet, but we expect it will link this requirement to receipt of federal aid. Congressional staffers are also looking to provide robust funding for the Low Income Home Energy Assistance Program (LIHEAP) and other programs to help those who cannot afford to pay their utility bills.