

# Colorado Fiscal Institute Report Card



Student: Colorado General Assembly

School Year: 2023

Every year, the Colorado Fiscal Institute (CFI) takes a moment to look back at the 120 days of legislative work accomplished by our Colorado Legislature. This year, we put together the 2023 Colorado Legislative Session Report Card, an assessment of the legislature's work on four key subject areas – fiscal policy, worker justice, housing, and environment. In particular, CFI evaluated these areas based on their effectiveness in passing policies that 1) centered the needs of workers and working families, 2) aligned with CFI's tax principles, and 3) moved the needle forward on true fiscal reform.

Hot topics this session, including the rising cost of housing, the possibility of a looming recession, and the whopping \$2.47 billion expected to be returned to taxpayers, dominated the conversations within the Capitol halls. But even with big topics to address, CFI was hopeful that legislators would advance policies that uplifted working families and our economy.

Midway through the session, it was clear that CFI's legislative policies were going to face a tough battle. With popular big-monied business groups stealing the show and community and stakeholder voices being left out of important decision-making conversations, many CFI and partner bills were taking the back burner.

Ultimately, the legislative class of 2023 failed to meet expectations. There were individual legislative champions who stood out and centered Colorado families, stood up for workers, and fought for a fair tax code, but in the end, CFI had to give this legislature an **incomplete** for their work during the legislative session.

## GRADES FOR THE 2023 LEGISLATIVE SESSION

Fiscal Policy	Pass
Worker Justice	Incomplete
Housing	Fail
Environment	Pass
Overall	Incomplete

## Recommendations for Improvement:

1. **Stand Up for Workers and Families:** Far too many policies that would have supported Colorado workers and families failed this session. The people of Colorado are the backbone of our economy. Siding with the interests of the wealthy and corporations over working people and their families further widens income and wealth inequality.
2. **Prioritize True Fiscal Reform:** Whether it's addressing housing, worker justice, or economic security, tax policy sits at the center of it. We can't address any of these key priority issues without making bigger reforms to our tax code. Every policy should be looking to change the rules about who pays taxes, who benefits from our economy, and who gets the most opportunities to succeed. To create thriving communities, lawmakers need to make sure our tax system, the budget it funds, and all the interconnected pieces are adequate, sustainable, and equitable— instead of focusing on tax cuts.
3. **Uplift Community Voices:** No good policy is done rushed and with little input from the groups who are most impacted: working families, communities, and public services. Engaging with constituents, stakeholders, and groups doing the work on the ground – regularly and transparently – creates the best policy.

By implementing these suggested improvements, the Colorado legislature can elevate its performance to better address our upside-down tax code and strengthen our public investments in the coming years. Continue reading below for a deeper dive into each subject area to see what policies were prioritized this session.

### Key Subject Areas Evaluated:

**Fiscal Policy**  
**Worker Justice**  
**Housing**  
**Environment**

### Scoring Criteria:

Each evaluation criterion has been graded as Pass, Fail, or Incomplete.

SUBJECT	GRADE
Fiscal Policy	<i>Pass</i>
<p>The 74th General Assembly passed several bills that made limited and temporary advancements to better fiscal policy. Legislators need to continue to address how we raise and spend revenues and invest them in our workers, families, and public services. They also need to change the rules on how we can use tax policy as a tool to fight the growing income and racial inequality in the state.</p>	

### **HB23-1112 Earned Income and Child Tax Credits:**

**Reps. Bird, Young, Sens. Hansen, Kolker**

The Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) are powerful tools to right our upside-down tax code, where low-income Coloradans pay a higher share of their income in taxes than high-income filers. CFI was ecstatic to see HB23-1112 brought by the interim Legislative Oversight Committee Concerning Tax Policy, which will increase the state's EITC to 38% of the federal credit for tax year 2024 and permanently expand our state's CTC to include families with qualifying children who have low or no income to report. CFI, along with our broad coalition of partners, have advocated for these two important tax credits for years, and we were proud to see them expanded to families with children who would otherwise have been left out. HB23-1112 is on its way to the Governor's desk to be signed into law.

### **HB23-1006 Employer Notice of Income Tax Credits:**

**Reps. Young, Daugherty, Sen. Exum**

Policy change only works when the people who are affected most by the policy know about it. CFI supports HB23-1006, which requires employers to notify all employees of the availability of the Earned Income Tax Credit (EITC), Child Tax Credit (CTC), and the Child and Dependent Care Tax Credit. Targeted tax credits like these are designed to uplift working Coloradans and children, but many qualifying families are losing out because of lack of information. By requiring employers to notify their employees that they might be eligible for these credits, HB23-1006 is an important step towards improving Colorado's low uptake rates of these credits. This bill has been signed by the Governor and is now law.

### **SB23-303 Reduce Property Taxes and Voter-approved Revenue Change:**

**Sens. Fenberg, Hansen, Reps. DeGruy Kennedy, Weissman**

In response to the unusually high change in assessed value that most property owners have seen this year, and the unequal distribution of property taxes collected from residential and nonresidential property in the state, the General Assembly passed SB23-303. The bill refers a question to voters, Proposition HH, which, if approved, would lower residential and nonresidential assessment rates over a period of 10 years and use state funds to backfill the revenue that local governments will lose as a result of those assessment rate cuts. The bill also provides for some off the top subtractions from the assessed value to lower property taxes. Colorado does not have a statewide property tax and will not see increased revenue from the growth in value of property in the state. Any backfill to local governments must come from state revenues, like sales and income tax.

In order to use state funds to backfill lost revenue to local governments, SB23-303 asks voters to retain a portion of general taxes by changing the constitutional revenue limit from what it is today (the change in population plus inflation) to the change in population plus inflation plus one percent. TABOR requires prior voter approval for the State to keep any revenue that it collects from current tax rates that are above the population plus inflation limit. Any revenue retained under this new formula (population + inflation + 1%) is dedicated to backfilling lost revenue to local governments and schools, by formula.

As amended, SB23-303 also allows up to \$20 million of the retained revenue to be used by the Department of Local Affairs to offset increased property taxes that are assumed to be passed through to renters. Other amendments excluded hospital and emergency districts and fire districts from some limits on the backfill. Finally, SB23-303 will make the Senior Property Tax Homestead Exemption portable, meaning it will be available to Colorado residents who move to a new property but would otherwise qualify. Voters must approve Proposition HH at the ballot in November 2023 for any provisions of SB23-303 to go into effect.

### **HB23-1311 Identical Temporary TABOR Refund:**

**Reps. DeGruy Kennedy, Weissman, Sens. Hinrichsen, Hansen**

HB23-1311 builds on SB22-233, which creates temporary flat TABOR rebates for one year only. This is a similar policy that takes the current six-tier sales tax rebate mechanism and reduces it to an identical rebate for every taxpayer. Under current projections, this will mean that every taxpayer will receive roughly \$661 regardless of their income. Without this change, Coloradans earning up to \$50,000 per year will receive as little as \$480, while those earning above \$279,000 each year will receive as much as \$3,028. HB23-1311 is contingent upon the passage of the referred property tax measure, Proposition HH, created in SB23-303, that voters will decide in November. CFI had supported a permanent identical rebate as a standalone bill in 2022 and again this year. CFI has and will continue to advocate for TABOR rebates and other tax expenditures that center working families. This bill was passed in the last hours of the session.

SUBJECT	GRADE
<b>Worker Justice</b>	<i>Incomplete</i>
<p>Despite having numerous progressive leaders elected, the Colorado General Assembly has been moderate in addressing workers' rights and justice. Key, common-sense reforms, such as fair scheduling protections and transparency for gig economy workers, were not fully addressed. Many opportunities were fought for this year, but the legislature missed the mark on more groundbreaking bills to advance meaningful systems change.</p>	

### **HB23-1078 Unemployment Compensation Dependent Allowance:**

**Reps. Willford, Gonzales-Gutierrez, Sen. Hansen**

HB23-1078 supports parents and caregivers in Colorado's unemployment insurance (UI) program by establishing a dependent allowance for workers with children or adult children with disabilities. It would have been \$35 per week, per dependent, added to an unemployed worker's regular unemployment benefit. For nearly a century, Colorado's UI system has been an important lifeline for workers who lose their job through no fault of their own. Unfortunately, UI today only replaces about 40% of a worker's wages making the benefit too low for most people to meet their basic needs while looking for a new job. This is especially true for families with children who face higher fixed costs for housing, food, healthcare, and childcare. Single mothers of color are hit particularly hard by periods of joblessness, as they are more likely to be sole breadwinners for their families. HB23-1078 would have made Colorado's UI system better equipped to meet the needs of Colorado's modern workforce, which includes families with children and single parents. Despite support from child and family advocates, small businesses, labor unions and other advocates for working people, HB23-1078 died in Senate Business, Labor and Technology despite having a democratic majority in the committee. We aren't giving up, and expect to see it again in the future.

### **SB23-105 Ensure Equal Pay for Equal Work:**

**Sens. Danielson, Buckner, Reps. Gonzales-Gutierrez, Bacon**

CFI's partners at the Women's Foundation of Colorado advanced a bill that strengthens the pay transparency and worker protections in the state's landmark Equal Pay for Equal Work Act of 2019. CFI supported the fight by providing testimony on how workplace discrimination and the gender pay gap costs our communities millions, and why robust protections for all Coloradan workers are critical to ensure pay equity for all. SB23-015 is on it's way to the Governor's desk to become law.



### **SB23-172 Protecting Opportunities and Workers' Rights Act:**

**Sens. Winter, Gonzales, Reps. Weissman, Bacon**

While this was not the first time the Protecting Opportunities and Workers' Rights Act, or POWR Act, appeared at the state Capitol. This time, the long-awaited modernizations of our state's workplace sexual harassment laws are making it to the Governor's desk. But this win didn't come easily: the coalition faced the same roadblock that most worker justice (and all bills for that matter) seemed to run up against this session. The modest cost of the bill was a concern given the zero-sum battle for a meager, inadequate general fund. CFI provided extra data on the benefits and huge cost savings for the state outside of the short-term costs in the fiscal note illustrating how ensuring dignity and safety for all Colorado workers is not only the right thing to do but also a smart investment.



### **SB23-046 Average Weekly Wage Paid Leave Benefits:**

**Sen. Winter, Rep. Duran**

January 2024 will be a big year for Colorado workers, as they will become eligible to receive paid Family and Medical Leave Insurance (FAMLI) benefits. This legislative session, the CFI team, in collaboration with 9to5 Colorado and A Better Balance, advocated for the passage of SB23-046. This bill makes a technical clarification to the text of the FAMLI Act to ensure wage replacement benefits are calculated fairly and as intended. Because the intent of FAMLI has always been for benefits to be portable – meaning wage replacement benefits are tied to the worker and not the job from which they are taking leave – SB23-046 ensures that the Department of Labor calculates a worker's weekly wages based on what they have already paid into the fund. They also look at the rate based on their past wages across the base period - not based only on their earnings and time spent at a current job. This bill has been signed into law.



### **SB23-261 Direct Care Workforce Stabilization Board:**

**Sens. Danielson, Exum, Reps. Duran, Willford**

Colorado's home care workers provide care to our disabled and aging loved ones each and every day, yet they face poverty wages, poor working conditions, and lack a voice in the industry. CFI supported our partners at Colorado Care Workers United, organized under SEIU Local 105, to create a path to systemic change for the industry by giving workers a seat at the table. SB23-261 creates a state board where workers, employers, and disabled and older Coloradans receiving care can collaborate on real solutions for this sector and its workforce. It passed and is on the way to the Governor's desk.



### **SB23-098 Gig Work Transparency:**

**Sens. Rodriguez, Reps. Bacon, Vigil**

Rideshare and delivery drivers on apps like Uber and Doordash are kept in the dark about the hidden algorithms that determine their earnings. These essential workers lack transparency or basic safety and discrimination protections on the job, despite providing the key service that allows for the exponential growth of these multinational corporations. CFI's analysis supported the growing body of national studies which affirm that these app-based platforms use their market power to shirk accountability and employ wage-suppressing technologies. Colorado could have been the first state in the country to address this information asymmetry and institute deactivation protections for workers, but our legislature fell woefully short on this historic opportunity to enact basic public transparency protections. Big gig companies poured their inexhaustible money and lobbying capacity into rigging the game yet again within our state's democratic institutions ultimately killing the first transparency bill of its kind.

### **HB23-1118 Fair Workweek Employment Standards:**

**Reps. Sirota, Gonzales-Gutierrez, Sens. Gonzales, Winter**

Workers across our economy, but particularly those in Colorado's retail industry and food service and manufacturing sectors, struggle to balance the demands of unpredictable shift jobs with the need to make ends meet and care for their families. In partnership with a national movement towards fair scheduling, we joined a diverse coalition of labor partners, ranging from UFCW to newly unionized Starbucks workers, as well as other data-driven policy groups and family and child advocates, to introduce a bill that has been years in the making. CFI's report "The Price of Unpredictability: Cost Savings for Businesses Under HB23-1118" highlights the strong evidence behind this policy and projected that through reducing employee turnover, fair scheduling would save Colorado businesses nearly \$130 million in turnover costs annually across the covered industries. We also partnered with the Bell Policy Center to draw public attention to one of the under-appreciated aspects of efforts like the Fair Work Week legislation, research that shows predictable scheduling laws result in better early educational outcomes and a more robust workforce. However, despite the clear benefits of this policy for working people and families across the state, and even employers themselves, the Legislature decided on killing this bill before it could even leave committee closing the door on amendments to ensure that new workplace practices work to everyone's benefit.



SUBJECT	GRADE
Housing	<i>Fail</i>
<p>Housing affordability was cited as a top concern for Coloradans last year. Though some efforts were made to address housing issues, this legislature failed to pass basic and popular protections to renters in Colorado, such as eviction protections and repealing the statewide ban on rent control.</p>	

### **HB23-1171 Just Cause Requirement Eviction of Residential Tenant:**

**Reps. Mabrey, Gonzales-Gutierrez, Sens. Gonzales, Hinrichsen**

Eviction is one of the largest drivers of homelessness. HB23-1171, led by Community Eviction Defense Project, Colorado Homes for All (COFHA), United for a New Economy (UNE), 9to5 Colorado, and Together Colorado, would have protected tenants from discriminatory and unjust evictions and affirmed discrimination as a defense for a tenant to an eviction proceeding. Landlords would have retained the power to evict tenants who fail to pay rent, substantially violate their lease, or commit criminal activity on the landlord's property. Without just cause eviction protection, tenants are hesitant to report unsuitable conditions out of fear of being exposed to the threat of eviction, and there are currently no protections for renters against some landlords who know that it is more profitable to evict a tenant who complains about the need for repairs instead of fixing the problem. HB23-1171 would have protected tenants from arbitrary, retaliatory, or discriminatory evictions through requiring that a landlord have a just cause to evict.

### **HB23-1099 Portable Screening Report For Residential Leases:**

**Reps. Vigil, Weissman, Sens. Field, Exum**

Expanding access to affordable housing is necessary to address Colorado's housing crisis, and reducing the costly barriers that tenants must overcome to be considered for housing is the first step. Application fees for apartments and other rental units serve as a prime example of a repetitive, unnecessary, and costly barrier between prospective tenants and access to affordable housing. HB23-1099 is a continuation of a bill passed in 2019 called The Rental Application Fairness Act, HB19-1106, which deems that landlords must use the entire sum of any renter application fee to cover the costs of processing the application and return any excess money to the applicant. However, enforcing that the entire application fee collected is spent on the processing costs is difficult. HB23-1099 allows prospective renters to pay for the preparation of one screening report that is acceptable to all landlords and leasing offices. CFI was proud to support HB23-1099 along with our partners at ProgressNow Colorado, Colorado Coalition for the Homeless, Enterprise Community Partners, and Colorado Interfaith Alliance.

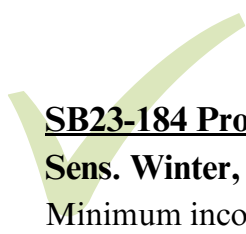




### **HB23-1115 Repeal Prohibition Local Residential Rent Control:**

**Reps. Mabrey, Velasco, Sen. Rodriguez**

In counties across Colorado, the cost of Fair Market rent is consistently far outpacing what is considered affordable based on average local wages. Since 1981, Colorado has had a statewide ban on rent control, which is one strategy to limit the growth of rent costs. Led by COHFA, Together Colorado, 9to5, and UNE, HB23-1115 would have only lifted this rent control ban and allowed localities and municipalities the option to implement rent control that is designed specifically for the needs of local communities, should they so choose. This bill died in committee despite 68% of Colorado voters supporting some form of rent control.



### **SB23-184 Protections for Residential Tenants:**

**Sens. Winter, Exum, Reps. Froelich, Garcia**

Minimum income requirements and security deposit costs are also considerable barriers that many renters face when searching for affordable housing. SB23-184 is a continuation of a bill passed in 2020 called Prohibit Housing Discrimination Source Of Income, HB20-1332, which prohibits landlords from refusing to rent to a prospective tenant based on the tenant's source of income and adds discrimination based on source of income as a type of unfair housing practice. Led by our partners at the Colorado Coalition for the Homeless, SB23-184 expands tenant protections in four key ways: the bill clarifies that fair housing violations are an affirmative defense to an eviction, caps security deposit costs at no more than two months' rent, and caps minimum income requirements at two months' rent. Lastly, the bill clarifies that for people with a housing voucher or subsidy, this 2x cap only applies to their portion of the rent obligation, and credit scores may not be inquired about or considered in the rental application process for people with a housing voucher or subsidy.

SUBJECT	GRADE
Environment	<i>Passed</i>
<p>One area in which the Colorado General Assembly demonstrated commitment is the environment. Multiple initiatives focused on climate change, renewable energy, and water management were passed during this legislative session. However, there's still potential for further legislation to solidify Colorado's leadership in environmental sustainability.</p>	

### **HB23-1257 Mobile Home Park Water Quality:**

**Reps. Valesco, Boesenecker, Sens. Cutter, Priola**

In 2022, 9to5 CO conducted a survey in predominantly low-income or BIPOC neighborhoods and mobile home parks. CFI analyzed the survey data and found that most respondents are concerned about air and water quality. Water quality is especially important in mobile home parks due to the close proximity of the homes, which allows any contaminants to spread quickly throughout the community. HB23-1257 creates a program to test water quality at mobile home parks in the Department of Public Health and Environment (CDPHE). CDPHE must also develop an action plan by March 1, 2026, to address water quality in mobile home parks. The bill also establishes a grant program beginning July 1, 2025, and provides related administrative functions including funding and enforcement. We are glad to see this bill pass and is on it's to be signed into law.

### **HB23-1101 Ozone Season Transit Grant Program Flexibility:**

**Reps. Vigil, Bacon, Sens. Winter, Hinrichsen**

The transportation sector is the largest source of carbon emissions and a public health threat in Colorado. In 2022, Colorado launched the Zero Fare for Better Air Program, which made services from Colorado's Regional Transportation District (RTD) free during the month of August, 2022. CFI examined the impact of this program on air pollution in the Front Range area and found that the Zero Fare for Better Air program has the potential to reduce air pollution and improve transit equity. HB23-1101 increases the flexibility of the ozone season transit grant program and increases opportunities for transit agency participation in regional transportation planning. The bill allows an eligible transit agency to designate a different period of the calendar year for its "ozone season;" it also clarifies acceptable uses for grant money, marketing expenses, rider surveys, and expanding free services or free routes. This bill is now law.

### **SB23-198 Clean Energy Plans:**

**Sens. Winter, Cutter, Reps. Weissman, Lindstedt**

The Colorado Greenhouse Gas Reduction Roadmap makes it clear that the power sector must achieve at least an 80% reduction in GHG emissions from 2005 levels by 2030. To help achieve these critical GHG emissions reductions, Colorado leaders passed HB21-1266, which requires the state's seven largest utilities to file plans verified by the air quality control commission (AQCC), showing how they'll reduce GHG emissions 80% by 2030. SB198 creates another opportunity to ensure our utilities are meeting or beating greenhouse gas reductions. The bill requires that any clean energy plan submitted to the division on or after January 1, 2024, must also achieve at least a 46% reduction in greenhouse gas emissions caused by the entity's Colorado electricity sales by 2027 relative to 2005 levels. The bill specifies the model portfolios that entities must include when submitting an electric resource plan and expands the requirements for Clean Energy Plans to certain entities that are not otherwise required to submit one to CDPHE.

### **HB23-1272 Tax Policy That Advances Decarbonization:**

**Reps. Weissman, Joseph, Sens. Fenberg, Cutter**

The "Inflation Reduction Act" passed by the United States Congress in 2022 made important tax incentives available to the people of Colorado, and HB23-1272 builds on that momentum by offering state income tax credits to accelerate the adoption of clean energy technologies by promoting their development as well as sales and purchase of certain technologies. HB23-1272 extends the innovative motor vehicle credit for electric and plug-in hybrid electric motor vehicles and provides tax credits to the purchase of electric trucks and ebikes. The bill creates new refundable state income tax credits to develop geothermal energy resources for electricity production, installation of heat pump technology or the development of a thermal energy network, and constructing a sustainable aviation fuel production facility. It also modifies the ad valorem (AV) credit allowed under the state's severance tax on oil and gas to offset costs. For FY 2023-24 through FY 2026-27, the bill requires that the additional severance tax revenue collected that is attributable to the decreased AV credit be credited to the Decarbonization Tax Credits Administration Cash Fund. HB23-1272 is on its way to be signed into law by the Governor.

Overall Assessment	Grade
<i>Incomplete</i>	
The 2023 Colorado 74th General Assembly's overall performance is extremely disappointing given the opportunity it had to stand up for workers and families. It receives a rating of incomplete reflecting a moderate approach to policy-making that lost out on several opportunities to create lasting, impactful change for the most vulnerable communities in Colorado, and stand-up to the interests of the wealthy and corporations.	