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## ***FOLLOWING THE LEADERS***

***An up to date review of Colorado government and politics as they relate to the clients of Axiom Strategies Inc.***

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*“A tough lesson in life that one has to learn is that not everybody wishes you well.”*  
Dan Rather

### **93 Days to Sine Die**

#### ***Tax Exemption Eliminations Keep on Moving***

The proposals to eliminate a variety of tax exemptions and credits have continued at a frenzied pace through the legislature. After receiving final passage by the House early last week, the bills moved over to the Senate. The Senate Finance Committee heard the bills Wednesday and Thursday, Senate Appropriations passed the bills Friday morning, and full Senate debate commenced Friday afternoon. The Senate plans to debate and pass the full package of bills by Wednesday the 10th.

Meanwhile, Senate Democrats and Republicans continue to debate how to balance Colorado’s budget. Senate Republicans submitted a budget plan requesting a 0.25 percent reduction in the state’s payroll for the current fiscal year, and a 4.4 percent reduction for the next fiscal year. Republicans and Democrats continue to spar with each other over the viability of the plan, with Democrats insisting the plan gets the state nowhere near eliminating the \$1 billion shortfall, and Republicans restating to Democrats that the tax exemption elimination package will cost jobs and further harm businesses.

#### ***Colorado Weighs in on NFL Lockout Economic Devastation***

The National Football League players union is expecting a lockout in 2011, and Colorado is bracing for the economic consequences a lockout would bring. During the 1994-1995 Major League Baseball strike, the effects on local businesses, restaurants and hotels were over \$2 million per lost game not played. Additionally, stadium workers and a variety of other vendors lost jobs during the strike. A football lockout in the Mile High

City is would cost the city and state even more if the 2011 Broncos season were not played.

Don Marostica, Executive Director of Colorado's Office of Economic Development stressed the devastating effects a strike would have for Broncos owner Pat Bowlen. Others are joining in the fight. Marostica urged Bowlen to take into consideration the vast economic impact a lock out would have on the business and hospitality industry in Colorado as Bowlen works towards a new collective bargaining agreement.

### ***Liquor Battles Gearing Up***

Colorado's seemingly endless battle between liquor stores, convenience stores and grocery stores over the sales of alcoholic beverages continues this year. Legislation by Rep. Larry Liston (R-Colorado Springs) to allow convenience stores to sell full-strength beer will be heard by the House Business Affairs Committee this week. HB 1186 - Let Convenience Stores Sell Malt Liquor - would remove the requirement that convenience stores sell only 3.2 percent beer. Advocates for the convenience stores argue that recent legislation that allowed liquor stores to be open on Sundays hinders their business. Consumers can now buy full-strength beer on Sundays from liquor stores but they are still bound by the 3.2 restriction. Liquor store owners counter that they are limited to one license, while convenience store chains can make bulk purchases and engage in large scale marketing

Another bill, HB 1279 - Grocery Store Acquire Retail Liquor License by Rep. Buffie McFadyen (D-Pueblo) and Sen. Suzanne Williams (D-Aurora) has been introduced as well. This legislation would allow grocery stores to buy out liquor stores, when they're within a 1,000 foot radius. It would require grocers to pay the state and local regulators a \$3,000 fee on top of the amount they negotiate with liquor stores for the buyout. Stores like Target and Wal-Mart because of their size would be barred from buying licenses, and only about 350 grocery stores would be eligible to buy a liquor store.

### ***Subrogation Bill Introduced***

Legislation that would essentially require any individual seeking to receive compensation for damages caused by the fault of someone else to hire an attorney will soon be a hot topic at the legislature. HB 1168 - Limit Reimbursement Fully Compensate Injured Person by Sen. Claire Levy (D-Boulder) and Sen. Pat Steadman (D-Denver) has been introduced and assigned to the House Judiciary Committee. Currently, if an individual is injured, their insurance company will pay their medical costs according to their policy, and then sue the person at fault to recover costs. Or if the injured individual initiates a lawsuit and is awarded medical costs, the insurer would be entitled to be reimbursed for costs paid on behalf of the injured individual. Under HB 1168, the insurer would be prohibited from suing on behalf of the individual to recover those expenses.

While the aim of the bill is to fully compensate the injured party for damages caused by another party, the effect of the bill is to force individuals to hire their own attorney to sue for damages. This scenario leaves the individual paying a contingency of up to 40 percent of the amount they receive to their attorney. The bill is scheduled to be heard Monday, February 22.

### ***Good-Samaritan Bill Dies***

A well-intentioned but problematic bill was killed by the House Judiciary Committee last week. HB 1084, sponsored by Rep. Cindy Acree (R-Aurora) would have authorized neighbors to enter, or trespass on, abandoned properties in order to clean up weeds, mow the lawn, and generally clean up the property so that it does not create an eyesore in the neighborhood. The bill would have authorized these so-called "Good Samaritans" to enter a landowner's property. It did not alleviate the liability of the landowner for injuries sustained by the Good Samaritan while on the property, with the exception of self-inflicted injuries. Many amendments were considered to eliminate concerns from realtors, property owners, managers, and trial lawyers, but ultimately a solution that placated all parties could not be reached, and the bill was postponed indefinitely.

### ***Taxpayer Transparency Act***

A bill to extend the application of the "Colorado Open Records Act" (CORA) to all writings made, maintained, or kept by any entity that receives public moneys or performs a governmental or other public function has been introduced. SB 114 – Taxpayer Transparency Act of 2010 by Sen. Morgan Carroll (D-Aurora) and Rep. Paul Weissman (D – Louisville) has raised the concern of the business community for its far-reaching application of the Colorado Open Records Act.

### ***Campaign Finance Law Ruling Impact***

The U.S. Supreme Court's recent ruling that the federal government may not ban corporations or unions from making independent expenditures or electioneering communication is expected to have a major impact on future elections. What specific effects will the ruling have? Contribution limits on candidates will place them at a financial disadvantage compared to unions and corporations, presenting candidates with challenges in controlling their messaging. Political parties, who are currently major fundraisers for candidates, will see their influence diminished with their hands tied by limits on the amounts and sources of funds they can accept. Outside groups able to perform the same functions with unlimited funds from any source. 501c4s and 501c6s will likely see a boost in funding due to their minimal disclosure requirements for donors. However, 527s, currently a favored choice by many outside, independent communications in the last three cycles, has been rendered obsolete for this purpose by the Court's decision.

### ***In the Races***

State Senator Paula Sandoval will be running for a vacancy on the Denver City Council. The seat is being vacated by Councilman Rick Garcia, who has been appointed as the new Rocky Mountain Regional Director for the U.S. Department of Housing and Urban Development. Sandoval is in her eighth and final year in the Senate. If she wins the vacancy, her Senate seat will be appointed by a vacancy committee. Three Democrats are vying for the seat - Representatives Jerry Frangas and Joel Judd, and Director of Human Rights and Community Relations for the City of Denver Lucia Guzman. If Sandoval's seat requires appointment by the vacancy committee, whichever of the three Democratic candidates is selected will have a major leg up in the primary.

Former State Senator Tom Wiens continues to challenge the notion that Jane Norton is already confirmed as the Republican candidate for a Senate run against Michael Bennet. Wiens has reportedly raised \$735,000 compared to Norton's \$551,000. Wiens has previously stated that he is willing to put \$500,000 of his own money into his campaign, but it is currently unclear what portion of the \$735,000 is self-funded. Bennet continues to raise record amounts and is hoping to bring in a large haul with several Obama events scheduled later in the month.

***Urban Renewal Bill Passes Second Reading in House***

HB 1107 - Urban Renewal Area Ag Lands by Rep. Randy Fischer (D-Fort Collins) and Sen. Morgan Carroll (D-Aurora) passed on second reading in the House last Friday, after being heard by the House Ag committee earlier in the week. This bill would prohibit the inclusion of ag land in an urban renewal project area unless it (1) is a brownfield site, (2) is 2/3 contiguous to urban level development, (3) is an enclave surrounded by urban level development, (4) is approved for inclusion by all affected taxing entities, or (5) was included in an urban renewal area prior to the effective date of this bill. HB 1107 was amended in committee to delete mediation requirements and to clarify that impact report requirements to the county do not apply to city and county entities (Denver and Broomfield). Numerous additional amendments were offered in committee and on the floor. One such amendment passed on second reading repeals the safety clause, which would have had the effective date the day the Governor signs the bill. This troubling piece of legislation is expected to receive final approval by the House early this week and make its way over to the Senate.

***Introduced Bills***

House	296
Senate	165
<b>Total</b>	<b>461</b>