

# Action Items

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## **Economic Development: County Revitalization Authority**

Proponents of county revitalization legislation are moving forward with a bill that creates a mechanism for counties to form revitalization authorities. The draft bill allows these authorities to use tax increment financing and private financing to fund improvements in unincorporated areas, similar to urban renewal authorities (URAs). The proposed legislation grants counties the legal authority to allocate property tax revenue to specific unincorporated areas with long-term financial commitments to make improvements necessary for development that provide desired public benefits. The draft also allows special districts and school districts to opt into an agreement to make tax increment payments to an authority but does not require them to do so, which is a departure from the statutory requirements for URAs. A finding of blight is not a precondition of formation, but rather a finding that development of the county revitalization area would provide a public benefit. As proposed, the formation of a county revitalization area does not include municipalities in the approval process beyond an opportunity to provide input and some approval criteria linked to impact on municipal services. Annexation of the developed territory is prohibited unless the municipality and the county authority agree to the satisfaction of any outstanding debt. CML is working with proponents to address a variety of concerns, including making recommendations to align county revitalization requirements more closely with those of URAs; provide specific limitations that protect municipal services and infrastructure; address annexation issues; and avoid conflicts with municipal growth plans. **Staff recommendation: Oppose, unless amended.** *Lobbyist: Elizabeth Haskell*

**Policy Statement:** *The League opposes efforts to restrict municipal annexation authority; supports state laws and policies that encourage new residential, commercial, and industrial development to occur within existing municipalities and that discourage the sprawl of urban, suburban or exurban development into rural and unincorporated areas of the state; encourages measures that promote intergovernmental cooperation on land use issues; and supports the prohibition of the incorporation of new cities and towns adjacent to, or within the service areas of, existing municipalities.*

## **Housing: Accessory Dwelling Units**

Rep. Amabile is carrying a bill regarding accessory dwelling units (ADUs). The proposed bill would require that ADUs be permitted as a “use by right” where single unit detached dwellings are allowed for jurisdictions that are within Metropolitan Planning Organizations

and have populations over 1,000. The method and scope of preemption is unclear; the bill includes a placeholder for requirements or “accountability measures,” proposing an “and/or” menu of additional criteria for jurisdictions to adopt. The bill likely would mandate review processes. Short-term rental limitations would be permitted. These provisions could conflict with standards in the many municipalities that permit ADUs already, as well as zoning district limitations. Compliant jurisdictions and other local governments that voluntarily meet the standards would qualify for funding from a new ADU Fee Reduction Grant Program. The program would backfill fees waived by local governments in connection with ADU construction and permitting. The funding methods are not settled, but could include two components, such as the RENU program and C-PACE program. CML would seek amendments to remove use by right language and any preemptions regarding processes and criteria and to ensure that any conditions are reasonable. **Staff recommendation: Oppose, unless amended.** *Lobbyist: Bev Stables*

**Policy Statement:** *The League opposes delegation of municipal land use authority to state agencies or preemption of municipal land use controls; and opposes state action that attempts to weaken home rule authority and flexibility.*

### **Housing: Transportation Oriented Communities (TOC)**

Rep. Woodrow and Rep. Jodeh, the House sponsors of last session’s Senate Bill 23-213, will be carrying a bill addressing transit-oriented development this session. While many aspects of the bill remain largely undefined, the bill will identify “Housing Opportunity Goals” for subject jurisdictions that must be met within a certain distance of transit centers (e.g., commuter/light rail stations, bus rapid transit, and high-frequency bus lines). The goals will be based on the amount of area near transit in a jurisdiction and an required average housing density, adjusted for factors like “regional equity,” infrastructure capacity, water, and other local conditions. These appear to mandatory for jurisdictions that are within Metropolitan Planning Organizations and have populations over 1,000, and other jurisdictions can voluntarily create “neighborhood centers” to access funding. The proposed bill will have four goals: supporting regulatory reform at all levels of government (e.g., application review processes); supporting funding for TOC infrastructure; supporting local flexibility; and supporting incentives and accountability. Funding sources for incentives are included in the Governor’s proposed 2024 budget and include the TOC Infrastructure Fund (\$35 million), the Affordable Housing Tax Credit (\$30 million), and Strategic Growth Incentives (existing funds to be determined through Strategic Growth Executive Order process). The accountability measures are not specified – the sponsors and Governor’s office stated they are open to “options on the accountability spectrum.” CML would seek to remove preemptions and mandates, allowing municipalities to opt-in to receive funding, and to ensure that any conditions are reasonable. **Staff recommendation: Oppose, unless amended.** *Lobbyist: Bev Stables*

**Policy Statement:** *The League opposes delegation of municipal land use authority to state agencies or preemption of municipal land use controls; and opposes state action that attempts to weaken home rule authority and flexibility.*

**Housing: Proposition 123 Legislative Fix**

Rep. Lindsey will carry a bill this session allowing a municipality that achieves 80% of the units required by the Department of Local Affairs (DOLA) under Prop 123 to be eligible to remain in the program for the following year. Proponents argue that this change will allow municipalities to retain staff needed to administer Prop 123 plans and development while supporting efforts to increase affordable housing. **Staff recommendation: Support.** *Lobbyist: Bev Stables*

**Policy Statement:** *The League supports an adequate supply of diverse housing options, regardless of income level, and continued public–and private–sector support for such an effort; supports the creation of an adequately financed statewide housing trust fund; supports state funding to support programs to address persons experiencing homelessness; supports state financial support for the Division of Housing’s loan and grant program for low–and moderate–income housing.*

**Taxation: Property Tax: Lodging Property Tax Treatment**

The Legislative Oversight Committee Concerning Tax Policy will introduce a bill that classifies property designed for use as a residence, but that is only used for short-term rentals, as lodging property under the definition of hotels and motels. This excludes bed and breakfasts. The bill also requires that homes that are not used as primary residences but are used mostly as short-term rental units be classified and assessed as lodging property, beginning with the 2026 property tax year. These homes will be classified as lodging property if they were leased for short-term stays for more than 90 days during the year. The bill requires the owner of a property used at least one time per year for a short-term stay to annually submit an affidavit with the county assessor noting the number of days the home was used for short-term stays during the previous year. The Division of Property Taxation in DOLA is required to establish and administer a program to develop a statewide database and reporting system for tracking short-term rental units by county. **Staff Recommendation: Neutral.** *Lobbyist: Elizabeth Haskell*

**Policy Statement:** *The League supports the preservation, revitalization and redevelopment of existing neighborhoods; supports enhancement of municipalities’ flexibility to finance public projects economically and efficiently; and supports appropriate efforts to permit application and enforcement of municipal ordinances, such as building*

*codes, fire codes, subdivision regulations and zoning ordinances, to buildings and improvements proposed to be constructed by government entities.*

**Public Safety/ Criminal Justice: Ongoing Funding for 911 Resource Center**

This bill, proposed by the Treatment of Persons with Behavioral Health Disorders in the Criminal and Juvenile Justice Systems Interim Committee, requires an annual General Fund appropriation of \$250,000 to the Public Utilities Commission (PUC) in the Department of Regulatory Agencies beginning FY 2024-25. The PUC must remit the funds to support the expenses of the Colorado 911 Resource Center. The center must conduct annual surveys to evaluate efficiency and, because 911 call centers are largely run at the local level and local resources may differ, the Resource Center benefits municipalities by creating a statewide information database and clearinghouse that supports and educates local 911 professionals and helps keep the public and public safety responders of Colorado safe. **Staff Recommendation: Support.** *Lobbyist: Jeremy Schupbach*

**Policy Statement:** *The League supports state funds for those state agencies that serve as a resource to local emergency services. Supports close cooperation at all levels of government and increased federal funding to assist local government homeland security and first responder responsibilities.*

**Public Safety: 911 Call Center Harassment and Non-Emergency Calls**

In response to 911 Taskforce concerns regarding call centers that are chronically understaffed and are frequently tied up by non-emergency issues or callers harassing staff (ex: complaints over parking tickets, etc.), the Department of Public Safety is working with Rep. deGruy-Kennedy and the District Attorney’s Council on a bill that would ensure that Public Safety Call Centers are included in state statute, thus avoiding any questions as to whether there is a law that will allow prosecution in instances of repeated calls where no emergency is present. **Staff Recommendation: Support.** *Lobbyist: Jeremy Schupbach*

**Policy Statement:** *The League supports close cooperation at all levels of government and increased federal funding to assist local government homeland security and first responder responsibilities.*

**Water: Prohibition on Certain Landscaping Practices**

After Jan. 1, 2025, the bill prohibits local governments and HOAs from allowing the installation, planting, or placement of nonfunctional turf, artificial turf, or an invasive plant

species on any commercial, institutional, or industrial property. While the bill declares that preventing the installation of nonfunctional turf is a matter of statewide concern, the current bill draft applies only to local governments and HOAs and leaves out state owned and operated properties. Non-functional turf is defined as turf that is solely ornamental and located in areas such as street, sidewalk, driveway, parking lot, frontage areas, or median that is not regularly used for civic community or recreational purposes. It does not include turf used in parks, sports fields, or playgrounds. The bill does allow the maintenance of turf planted prior to Jan. 1, 2025, but prohibits new installation. **Staff Recommendation: Oppose.** *Lobbyist: Heather Stauffer*

**Policy Statement:** *The League opposes delegation of municipal land use authority to state agencies or preemption of municipal land use controls.*

#### **Wildfire: Assist Rural Community Wildfire-Related Grant App**

The bill requires that the Rural Opportunity Office in the Office of Economic Development and International Trade (OEDIT) provide technical assistance to rural communities to identify and apply for state and federal grants for wildfire mitigation, prevention, response, or risk-management efforts. OEDIT must also maintain a list of government grant programs on its website. Beginning July 1, 2025, OEDIT must make a biennial report to the General Assembly summarizing the work to assist rural communities with grant identification and application. **Staff Recommendation: Support.** *Lobbyist: Heather Stauffer*

**Policy Statement:** *The League supports state financial support to assist local governments with disaster mitigation, response, and recovery in their communities.*

#### **Wildfire: Local government disaster-related programs**

The bill creates two programs to support local governments in wildfire risk mitigation.

**Slash removal pilot program.** The bill directs the Department of Natural Resources to create a pilot program supporting county efforts to remove slash, which is the residue created by wildfire risk mitigation efforts. The department, in consultation with counties that already have slash removal programs, must select counties to participate in the pilot program and provide knowledge and resources to facilitate slash removal.

- **Post-disaster debris removal.** The bill directs the Department of Public Safety to provide guidance to local governments to facilitate debris removal following a disaster. This includes negotiating with the Federal Emergency Management Agency, developing standard forms and procedures, and ensuring that local programs are limited to residential, rather than commercial, debris removal. The

department must publish this guidance on its website and update it as necessary.

**Staff Recommendation: Support.** *Lobbyist: Heather Stauffer*

**Policy Statement:** *The League supports state financial support to assist local governments with disaster mitigation, response, and recovery in their communities.*

## Information items

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### **CML-Initiated Housing Bill**

Based on direction from the policy committee and CML executive board, staff is working with Sen. Zenzinger and Sen. Kirkmeyer and Rep. Bird on a housing bill with the following concepts included:

- Directing DOLA to: (1) create guidance for creating regional and local housing needs assessments for 5, 10, and 20 year timelines; (2) maintain directories of housing and land use practices and standards focused on affordability and displacement mitigation; (3) create a water supply forecast and natural land/agricultural opportunities report; (4) study market conditions and limitations on the construction of for-sale multifamily residential housing; and (5) provide \$15 million for technical assistance and planning grants and promote regional cooperation.
- Local governments over 4,999 in population would create a housing needs assessment by 2027 every 5 years or participate in a regional assessment every 8 years. Regions would be defined voluntarily. Local governments must also conduct an biennial public review of progress and create a report and “proposed action plan” that would be submitted to DOLA.
- By 2027, county/municipal master plans must include a water element (currently optional) and a housing element (new) with a reasonable plan to promote development of dwellings identified by the housing needs assessment. These would be updated every 5 years. Plans would also describe the plan’s formation and consider state-provided information.
- Prioritization (or qualification) for designated state funding sources would be given for: completing assessments; conducting annual review and report; maintaining a master plan with required elements; or adopting elements of DOLA’s directory of housing and land use practices. Municipalities could be eligible for affordable housing planning and infrastructure funding for adopting certain standards.
- New HOA covenants could not prohibit ADUs or middle housing where allowed by local zoning. **Lobbyist: Beverly Stables**



### **Beer & Liquor: Liquor Advisory Group (LAG) Final Report and Legislation**

The LAG will issue its final report on Dec. 1, 2023. The report includes 28 consensus recommendations focused on modernizing, clarifying, and harmonizing Colorado's Liquor Code while providing consumers with protections and public safety initiatives. Several of the recommendations are expected to be presented in one bill that will be introduced in the 2024 legislative session. Consensus recommendations that will likely be included in the legislation and that are of high interest to local licensing authorities and their communities include the following:

- allow catering companies to obtain a temporary permit to sell and serve alcohol in unlicensed location;
- expand the marketing allowances for the existing performing arts license;
- implement an online renewal process connecting state and local liquor officials, or standardize a renewal form to be used by local licensing authorities;
- adjust license renewal from every year to every two years (allows municipalities to require one year renewal as a consequence to a violation);
- make hearings for new license applications optional;
- remove licensing fee caps from statute;
- increase the processing timeline for retail establishment permits to a minimum of 30 days; and
- allow businesses to remain open until 4 a.m. with the last call completed by 2 a.m.

The report also includes a few non-consensus items that are likely to appear in separate legislation. One recommendation of interest relates to allowing malt liquor and spiritous liquor manufacturers to apply for up to five sales rooms. Another seeks to direct the Department of Revenue to create rules allowing the Liquor Enforcement Division to work more collaboratively with local partners to establish guidelines on application review timelines and processes. **Lobbyist: Elizabeth Haskell**

### **Housing: Strategic Growth**

As part of the Governor's housing legislation package, Sen. Roberts will be running a bill to address strategic growth. While legislative concepts have not yet been made available, the CML Advocacy Team hopes to find out more soon and is hoping to work with Sen. Roberts to draft an affordable housing bill that does not preempt local control. **Lobbyist: Beverly Stables**

### **Broadband: Multi-Dwelling Units and Mobile Home Broadband Access**

Rep. Boesenecker and Colorado Counties, Inc. (Larimer County) are working in partnership with their local municipal broadband providers and have numerous projects to expand fiber broadband services into mobile home parks and multi-family dwelling

units. However, they are often refused entry by the owner of the property or asked to provide financial incentives for entry. As a result, those projects are on hold and the residents will not have access to high-speed internet services if the owner refuses to allow entry. We expect a bill this session which will modify the statutes to prevent owners of multi-family dwelling units, multi-tenant units, and mobile home parks from barring voter approved publicly owned and operated broadband and publicly owned and operated municipal or county broadband from providing services to residences. **Lobbyist: Jeremy Schupbach**

**Taxes/ Fees: Real Estate Transfer Fee**

A group of local government stakeholders is exploring a bill that permits municipalities and counties to collect a Real Estate Transfer Fee when a real estate transaction takes place. A preliminary draft provides local governments with the authority to impose the fee in any amount they determine up to 4% of the value of the property transferred, with the ability to waive the fee for properties valued up to an amount determined by the local government. The draft also provides that counties may impose a fee up until a municipality imposes a fee, at which point the county's fee goes away or can remain pursuant to an intergovernmental agreement with the municipality. Fee revenue would be directed to affordable housing projects although the group is discussing additional uses. This group plans to continue meeting to develop a process that is beneficial to local governments and addresses constitutional and other policy concerns. **Lobbyist: Elizabeth Haskell**

**Public Safety: Strengthen Response to Behavioral Health Crises**

This bill is proposed by the Treatment of Persons with Behavioral Health Disorders in the Criminal and Juvenile Justice Systems Interim Committee. Beginning on July 1, 2026, the bill expands the crisis response system administered by the Behavioral Health Administration (BHA) to include substance use disorder withdrawal management services and prohibits the use of jails for emergency commitments of persons under the influence of or incapacitated by substances. Additionally, the bill requires facility-based crisis service providers to be able to accept persons pursuant to an emergency commitment and requires the BHA to license crisis service providers. Finally, the bill requires local law enforcement agencies that take persons into protective custody pursuant to an emergency commitment to annually report certain data about these persons to the BHA starting Jan. 1, 2025. The BHA must use the data for planning service levels and must protect personal information.

The bill increases local law enforcement workload to provide the data on emergency commitments required by the bill and to ensure emergency commitments are placed



appropriately. The increase will vary by jurisdiction depending on the number of emergency commitments. **Lobbyist: Jeremy Schupbach**

#### **Transportation: Electric Vehicle Charging Permitting**

The Colorado Department of Energy has been holding stakeholder meetings and may run a bill next session that is based off a recently published report through the Sustainable Energy Action Committee (“Planning and Zoning Guidance for Electric Vehicle Charger Deployment”) that establishes best practices and identifies challenges for standardizing local permitting of EV charging stations. CML is continuing to participate in stakeholder meetings with the department. **Lobbyist: Beverly Stables**

#### **Criminal Justice: Requiring Identification on Traffic Infractions**

The Colorado Department of Public Safety and Colorado State Patrol are considering a bill in the upcoming legislative session to revert the penalty for failure to provide identification back to a misdemeanor, enabling law enforcement to take necessary measures for proper identification.

Recent legislative changes reduced the penalty for failure to provide identification during a traffic stop from a misdemeanor to a Class A traffic infraction under C.R.S. 42-2-115. According to the department the change means officers lack the authority to take additional measures, such as arrest, to identify someone who refuses to provide identification. Without proper identification, law enforcement may be prevented from issuing traffic citations, questioning suspects, or locating warrants for suspects in a crime. By lowering the penalty to a traffic violation, peace officers do not have the ability to compel cooperation or enforce identification requirements, thus affecting their ability to interact with a suspect as necessary. In returning the penalty to a misdemeanor, officers will be able to issue citations and act on active warrants as necessary for the protection of public safety. **Lobbyist: Jeremy Schupbach**