

Information courtesy of Senator Greg Brophy

I am on the floor of the Senate arguing against nine tax increase bills. The Democrats are increasing taxes on candy, direct mail, energy, and others. Here are the details on two of the tax increases.

Taxing Farmers and Ranchers

Among the myriad of tax increases proposed by the Democrats this year is a bill to add sales tax to pesticide purchases and medicine purchases for livestock.

When this bill passes, and it will pass, Colorado will be one of only six states to charge farmers and ranchers sales tax for the inputs they use to produce food.

What's interesting is that the law will create an incentive to purchase your pesticides and medicine online or from an out of state retailer. Yes, I know that Colorado residents are supposed to pay use tax in place of the sales tax when they do that, but the reality is that most people won't. At least they won't until they think the chance of being audited is high. Trust me; I know these guys and they don't like paying taxes.

Taxes on production inputs do not exist in any other industry in Colorado, but now agriculture will face that type of tax. And ag is an industry that can't pass costs on; we compete in a world market and are price takers. We accept the price offered by the buyer, and when competing farms located in Kansas and Nebraska don't have the same costs it makes Colorado farmers less competitive and gives them an incentive to not pay these taxes.

So what does this new tax mean in human terms? Well, if you are a full time farmer this bill will likely take \$2000 to \$6000 out of your pocket.

That's a lot of money.

Taxing the Internet

The tax collectors and liberals in Colorado have dreamed up a scheme to tax the Internet.

HB10-1193 seeks to force Internet retailers, like Amazon and Ebay, to collect sales tax from Colorado customers.

The problem is the Supreme Court, in *Quill v. North Dakota*, says that they can't make them collect the sales tax, so someone came up a new way to use the regulatory authority of the state to make Amazon and Co so miserable that they'd say "uncle" and just start collecting the sales tax for Colorado "voluntarily".

Here's how the regulatory proposal works:

1. Internet retailers will have to tell their customers every time something is bought online that the customer owes "use" tax to the State of Colorado. Use tax, little did I know, is

owed on any item purchased for which sales tax is applicable but not collected. No, really. Failure to make the notification results in a \$5 fine per occurrence.

2. Internet retailers will have to notify customers once a year by mail what their annual purchases were and that use tax was owed on those purchases.
3. And the *pièce de résistance* is that the Internet retailer will have to submit to the State of Colorado a list of everything that you bought online! **YIKES!**

That's right, Big Brother, aka Dept of Revenue, wants a list of everything that you have purchased on line so they can send you the bill for sales tax.

They will want a list of all the books you bought, all the movies you bought, Valentines presents, and you name it. It just gives me the shivers.

Remember how the ACLU howled when the Patriot Act sought to access library records with subpoenas? Haven't heard from them on this one yet.

Taxing the Internet is really the Holy Grail of tax and spend liberals. You are going to have to pay the bill and lose the liberty.

Information courtesy of Christiansen Corporate Resources, Margy Christiansen

Feb 19

You probably already heard that HB 1188 passed on a party line vote in the House. Now it will be in the hands of the Senate to determine whether "this land is your land" as it pertains to "a river running through it."

The PERA bill sailed through the House unamended and is on its way to the Governor's desk. The new plan decreases retirees' Cost of Living Adjustment (COLA) and increases contribution rates for most state employees and government employers, including school districts.

The Colorado Court of Appeals ruled that the Department of Revenue violated TABOR by raising the tax on coal from 54 cents per ton to 76 cents per ton in January 2008. The appellate court rejected the Department's argument that TABOR did not apply

Current union participation information for Colorado was released by the Bureau of Labor and Statistics. Union participation is at 7 percent (153,000 Colorado workers), down from 8 percent in 2008. At its peak in 1990, union membership in the state was 10.5 percent.

The Independence Institute released a report on teacher union perks. The report highlights accountability issues surrounding school employees receiving additional leave days to participate in union/association activities.

BUDGET AND THE JBC. While the JBC continued Fiscal Year 2010-11 figure-setting this week, the House passed 32 budget measures to address the current year's budget shortfall (FY 2009-10). Aside from funding reductions to state agencies, other measures included raiding cash funds, shifting money between funds, and cutting reimbursement rates to nursing facilities. Republicans proposed amendments to make further reductions in state expenses. Each and every supplemental bill had an amendment proposed to cut the budget of each agency by 1.6 %. All of them failed on a party line vote. Five more budget-balancing bills were introduced in the Senate this week and will likely reach the House next week.

Rancor still exists and has made its way to the House chamber once again this week when Rep. Jack Pommer (Boulder) told Rep. Amy Stephens (Colorado Springs) that she should take a remedial class in how to read a bill. She had asked Pommer to explain part of one of the supplemental bills. The mood was lighted a little by Rep. Randy Baumgardner saying that he would like to try one of the disks for the remedial bill reading course and if it helped he might order the whole set.

Political tensions did not just occur between members of opposing parties. Candidates for the Democratic nomination for US Senate were none too pleased with each other either this week. Andrew Romanoff was very upset that the President is playing politics with his own party and openly supporting Sen Bennet for election to the seat for which he was appointed. The Pres. made a visit to Denver this week to fund raise for Bennet. Romanoff said that the people of Colorado should be the ones to decide who should be the candidate with their votes and not the President.

Scott McInnis has challenged Mayor Hickenlooper to help fight the removal of the tax exemptions which are now before the Governor. Not only would Hickenlooper not join the fight, he told the media that the recession was all in the minds and mind set of the public. Even a liberal reporter from the Denver Post couldn't agree with that. His article follows.

Greene: Hickenlooper's take on recession mind-befuddling

By Susan Greene
Denver Post Columnist

Buck up, Colorado.

That seemed to have been John Hickenlooper's take last week when he said "a recession like this really is driven by people's mental state."

I'm no economist and certainly no shrink.

But I run across stories like Denver window installer Richard Vigil, who moved his wife and four kids into his parents' place after losing his job and health insurance last year.

I listen to Hazel Miller, a local entertainer mourning the loss of her home in Lakewood to foreclosure.

And I watch Heather Martinez standing outside a Denver car wash soliciting spare change to feed her two kids.

Are we to think their troubles are all psychological?

"Mental state? Man, I only wish this were just in my head," says Martinez, who was laid off from her job as a computer tech last winter.

Hickenlooper has stepped in it.

His remark on a radio talk show Thursday was not only impolitic for a candidate running for governor during the worst downturn since the 1930s. It was remarkably tone deaf on a day when stocks and commodities were plummeting. It was also out of touch with hundreds of thousands of people he's already governing as Denver mayor.

It's not mental dysfunction that's causing Coloradans to cut back their spending and look skeptically at their financial future. Its reason and rationality based on watching people we know lose their livelihoods. Anyone who's not worried is either wealthy like Hickenlooper or out to lunch.

AM 760 radio host David Sirota reminded the mayor on- air that former U.S. Sen. Phil Gramm of Texas was ousted as top economic adviser to John McCain in 2008 for remarking that "this is a mental recession."

"No, I'm not saying that," Hickenlooper backtracked, only then to step even deeper into his psychobabble and flip-floppery.

"What I'm saying is that people's attitudes are connected to the economy. Now, it's not just a mental recession. . . . There's nothing just mental about this. But the country's attitude is very relevant."

Huh, I asked his handlers.

"John knows darn well the reality of this. He's a guy who lost his job in a downturn. So what he's saying by this is we as Americans, we as Coloradans, we've got to get our mojo back," campaign manager Mike Melanson said in his attempt at damage control.

I'll admit that Hick's brand of hucksterism has worked well for him and, generally, for Denver. I'll also admit there are points to be made about consumer confidence and our collective psyche.

But if we've lost our belief in anything, it's not in ourselves, as Hick asserts.

We've lost faith in a system that is bailing out banks that are squeezing us, handing out tax breaks to companies that are ripping us off and giving write-offs to the people who are exploiting us. We're losing hope in a government that too long has assured us the fundamentals of our

economy are strong. And we're losing confidence in leaders who tell us that what ails us is in our minds.

Hickenlooper continues to dodge questions about ending business-friendly tax write-offs now under debate at the state Capitol. After all, it's easier to mouth off about our mojo and mental states than answer the tough questions on how to stop the bleeding.

So change you attitude and “the sun’ll come out tomorrow.” Have a great week.

Calendar Notification of Your Bill Dossier

Bill HB10-1211 - TYLER / WILLIAMS Reduce Late Vehicle Registration Penalty

Friday, February 19 2010

Appropriations

8:00 a.m. Room LSB-A

(5) in house calendar.

Bill HB10-1212 - RICE / SCHWARTZ Req Rules For Late Veh Regis Fee Exempts

Friday, February 19 2010

GENERAL ORDERS -- SECOND READING OF BILLS

(1) in house calendar.

Bill SB10-048 - HEATH / LEVY Commodity Scrap Metal Purchase

Friday, February 19 2010

GENERAL ORDERS - SECOND READING OF BILLS

(21) in senate calendar.

Bill HB10-1168 - LEVY / STEADMAN Limit Reimburs Fully Comp Injured Person

Monday, February 22 2010

Judiciary

1:30 p.m. Room 0107

(5) in house calendar.

Bill HB10-1268 - KING S. Register Vehicle Two Years

Tuesday, February 23 2010

State, Veterans, & Military Affairs

1:30 p.m. Room 0112

(5) in house calendar.

Bill HB10-1162 - SOPER / BACON Retainage Construction Contracts

Wednesday, February 24 2010

1:30 p.m. Old Supreme Court Business Affairs & Labor

(1) in house calendar.

Bill HB10-1056 - FRANGAS / CARROLL M. ID Theft Disposal Of Records

Thursday, February 25 2010

Judiciary

1:30 p.m. Room 0107

(5) in house calendar.

Bill HB10-1172 - BRADFORD Mobile Machinery Specific Ownership Tax

Thursday, February 25 2010

Transportation & Energy

Upon adjournment Room 0107

(3) in house calendar.

Bill HB10-1023 - WALLER / HUDAK Employer Liability Negligent Hiring

Monday, March 1 2010

JUDICIARY COMMITTEE

1:30 P.M. SCR 352

(4) in senate calendar.

Bill SB10-057 - CADMAN Nonmotorized Veh Late Registration Fee

Monday, March 1 2010

STATE, VETERANS, & MILITARY AFFAIRS COMMITTEE

1:30 P.M. SCR 353

(1) in senate calendar.

Bill SB10-033 - SCHULTHEIS / BAUMGARDNER Fair Legal Employment Act

Wednesday, March 3 2010

STATE, VETERANS, & MILITARY AFFAIRS COMMITTEE

1:30 P.M. SCR 353

(3) in senate calendar.

Bill HB10-1173 - DELGROSSO / RENFROE Waiver Of Late Vehicle Registration Fees

Thursday, March 4 2010

Transportation & Energy

Upon adjournment Room 0107

(1) in house calendar.

Bill HB10-1094 - GARDNER C. / HARVEY Deadly Force Intruder Businesses

Monday, March 8 2010

Judiciary

1:30 p.m. Room 0107

(1) in house calendar.

Bill SB10-004 - WHITE Repeal Late Regis Penalties Of SB09-108

Tuesday, March 9 2010

STATE, VETERANS, & MILITARY AFFAIRS COMMITTEE

UPON ADJOURNMENT SCR 353

(1) in senate calendar.

Bill SB10-044 - LUNDBERG / LAMBERT Repeal Late Regis Penalties Of SB09-108

Tuesday, March 9 2010

STATE, VETERANS, & MILITARY AFFAIRS COMMITTEE

UPON ADJOURNMENT SCR 353

(2) in senate calendar.

Bill HB10-1012 - NOT ON CALENDAR

Bill HB10-1087 - NOT ON CALENDAR

Bill HB10-1189 - NOT ON CALENDAR

Bill HB10-1190 - NOT ON CALENDAR

Bill HB10-1191 - NOT ON CALENDAR

Bill HB10-1192 - NOT ON CALENDAR

Bill HB10-1193 - NOT ON CALENDAR

Bill HB10-1194 - NOT ON CALENDAR

Bill HB10-1195 - NOT ON CALENDAR

Bill HB10-1197 - NOT ON CALENDAR

Bill HB10-1198 - NOT ON CALENDAR

Bill HB10-1199 - NOT ON CALENDAR

Bill SB10-011 - NOT ON CALENDAR

Bill SB10-012 - NOT ON CALENDAR

Bill SB10-013 - NOT ON CALENDAR

Bill SB10-034 - NOT ON CALENDAR

Bill SB10-085 - NOT ON CALENDAR

Bill SB10-086 - NOT ON CALENDAR

Bill SB10-110 - NOT ON CALENDAR

Bill SB10-133 - NOT ON CALENDAR

Bill SJR10-002 - NOT ON CALENDAR

BILL [HB10-1012](#)

Short Title: Limit Surveillance Workers' Comp Claims

Sponsors: PACE / CARROLL M.

Interim Committee to Study Issues Related to Pinnacol Assurance. Section 1 of the bill:

- * Prohibits an insurer or employer from conducting surveillance of an employee who has submitted a workers' compensation claim unless the insurer or employer has a reasonable basis to suspect that the employee has committed fraud or made a material misstatement concerning the claim;
- * Allows the employee to request an expedited hearing before a prehearing administrative law judge;
- * Requires the insurer or employer to provide all materials collected during the surveillance to the injured worker and to destroy all materials collected during the surveillance unless the materials are reasonably necessary to resolve an ongoing claim of fraud;
- * Requires persons conducting surveillance to answer the employee's questions truthfully; and
- * Creates a \$1,000-per-day penalty for violations. Section 2 of the bill:
 - * Directs the prehearing administrative law judge to issue an injunction against the surveillance unless the insurer or employer shows that it has a reasonable basis to suspect that the employee has committed fraud or made a material misstatement concerning the claim; and
 - * Allows the identity of a witness or whistleblower who provides evidence in good faith to be withheld or limited to an in camera review.

BILL [HB10-1023](#)

Short Title: Employer Liability Negligent Hiring

Sponsors: WALLER / HUDAK

Economic Opportunity Poverty Reduction Task Force. The bill prohibits information regarding an employee's criminal history from being introduced as evidence in a civil action against an employer if:

- * The nature of the criminal history does not bear a direct relationship to the facts underlying the cause of action;
- * A court order sealed any record of a criminal case or a pardon was issued before the occurrence of the civil action; or
- * The record of an arrest or charge did not result in a criminal conviction. The bill does not eliminate the requirement for criminal history background checks in hiring for certain employment.

BILL [HB10-1056](#)

Short Title: ID Theft Disposal Of Records

Sponsors: FRANGAS / CARROLL M.

The bill prohibits a public or private entity in the state that uses paper or electronic documents or records during the course of business that contain personal identifying information (affected entity) from disposing of such a document or record unless, prior to the disposal of the document or record, the affected entity, in the case of a paper document or record, shreds the document or record or, in the case of an electronic document or record, erases and renders indecipherable and irretrievable all personal identifying information contained in the document or record. An affected entity that violates this prohibition is liable for a civil penalty. The attorney general or the district attorney of the judicial district in which the violation occurs is authorized to bring an action against an affected entity that violates the prohibition. An affected entity is required to include in its policy for the destruction or proper disposal of paper or electronic documents and records containing personal identifying information a requirement that such documents and records shall be shredded or erased and rendered indecipherable and irretrievable before the affected entity disposes of the documents or records. The bill includes conforming amendments.

BILL [HB10-1087](#)

Short Title: End Automatic Employer Tax Withholding

Sponsors: SWALM / CADMAN

Currently, an employer is required to deduct and withhold Colorado income tax from an employee's wages. The bill eliminates the mandatory deduction and withholding. Instead, an employer will only deduct and withhold Colorado income tax from an employee's wages if the employee and employer voluntarily agree to it. The bill also makes a conforming amendment to an income tax credit, so that the change to the withholding requirement does not affect the eligibility for the credit.

BILL [HB10-1094](#)

Short Title: Deadly Force Intruder Businesses

Sponsors: GARDNER C. / HARVEY

The bill extends the right to use deadly force against an intruder under certain conditions to include owners, managers, and employees of places of business.

BILL [HB10-1162](#)

Short Title: Retainage Construction Contracts

Sponsors: SOPER / BACON

The bill prohibits retaining more than 5% of the payments due to a contractor to ensure that work is satisfactorily completed (retainage) for the first 50% of a construction project. For the remaining 50% of the work, the bill prohibits retainage of more than 2.5%. More retainage may be withheld for work that is unsatisfactorily completed. A building client is required to deposit retainage in an interest-bearing escrow account that the contractor may access with an arbitration or court order. The bill sets standards for the account. If the building client fails to deposit the money in an account, the building client is required to pay the contractor 15% interest on the retainage. The bill requires a contractor to forward payment to a subcontractor for work the subcontractor performed within 7 days. The building client is required to pay the contractor retainage within 30 days after substantial completion of the construction project. A violator is required to pay interest plus a penalty of 15% interest. Contractors are authorized to give the building client a substitute security and have retainage paid. Standards are set for the security. Failure to pay interest subjects the property to a lien.

BILL [HB10-1168](#)

Short Title: Limit Reimburs Fully Comp Injured Person

Sponsors: LEVY / STEADMAN

Benefield, Carroll T., Casso, Court, Ferrandino, Hullinghorst, Labuda, McFadyen, Merrifield, Middleton, Pommer, Primavera, Scanlan, Schafer S., Solano, Todd Shaffer B. Under current law, an insurer that pays benefits to a person who is injured due to an act or omission of a third party may, under some circumstances, obtain repayment of those benefits out of any recovery paid to the injured party, regardless of whether the injured party has been fully compensated for his or her losses. The bill would limit the ability of an insurer to obtain a repayment of benefits if the repayment would cause the injured party to not be fully compensated. Additionally, if the injured party has been fully compensated and the repayment is allowed, the amount of the repayment is limited to the amount actually paid by the insurer. Finally, the bill requires the insurer to pay its proportionate share of attorney fees and costs incurred by the injured party in obtaining the settlement or judgment. If a dispute arises regarding an insurer's right to reimbursement or subrogation, it is to be resolved in the same jurisdiction in which the underlying civil claim was handled. When the injured party recovers damages that he or she believes are not sufficient to fully compensate him or her, the injured party must notify the insurer in writing that the recovery obtained is less than the sum of all of the injured party's damages. If the insurer disputes the injured party's claim, the insurer may file a post-trial or other appropriate motion, or if there is no underlying civil action, may seek a declaratory judgment, to determine whether the injured party's recovery is insufficient to fully compensate the injured party. If the court agrees with the injured party, the insurer has no right to reimbursement or subrogation. An insurer is precluded from bringing a direct action against the at-fault third party for subrogation or reimbursement, and the third party cannot add the insurer as a copayee on any check or draft in payment of a settlement or judgment for the injured party. Insurers cannot delay, withhold, or reduce benefits

because the obligation to pay benefits results from the acts or omissions of a third party or as a means to compel reimbursement or subrogation. Additionally, if an insurer obtains reimbursement of benefits paid, the insurer must apply the amount of the reimbursement as a credit against any applicable lifetime cap on benefits contained in the applicable policy or plan. The bill does not affect statutory liens granted to hospitals that provide care to an injured party.

BILL [HB10-1172](#)

Short Title: Mobile Machinery Specific Ownership Tax
Sponsors: BRADFORD

Section 1 makes stylistic changes to clarify the definition of special mobile machinery. Section 5 deems farm equipment meeting the definition of special mobile machinery to be Class F personal property if the equipment is used for a purpose other than agricultural production. Section 6 prohibits affixing a prorated registration sticker to special mobile machinery unless it is registered, prohibits the operation of such machinery unless it is registered, and grants a credit for taxes paid to the owner who converts a vehicle to special mobile machinery. Section 7 creates a demonstration plate to be used by people who sell special mobile machinery and sets the fee for the plate. A violation of the demonstration plate requirements is a class 2 misdemeanor. Section 8 requires a person who sells special mobile machinery to notify the buyer that the owner should register the machinery. Section 16 authorizes owners to obtain a temporary registration similar to the temporary registration for motor vehicles. The remaining sections of the bill contain conforming amendments.

BILL [HB10-1173](#)

Short Title: Waiver Of Late Vehicle Registration Fees
Sponsors: DELGROSSO / RENFROE

The bill specifies that, on and after July 1, 2010, the fee for late registration of a vehicle shall not be imposed for any portion of the calendar month in which a temporary registration number plate, tag, or certificate expires. The bill also authorizes the department of revenue or an authorized agent of the department to waive the fee if the department McNulty, Nikkel, Roberts, Summers, Swalm, Vaad, Waller or authorized agent determines that the failure to timely register the vehicle resulted from extenuating circumstances beyond the control of the vehicle owner.

BILL [HB10-1189](#)

Short Title: Elim Sales Tax Exemption For Direct Mail
Sponsors: POMMER / HEATH

Commencing March 1, 2010, the bill eliminates the state sales and use tax exemption for direct

mail advertising materials that are distributed in Colorado by any person engaged in the business of providing cooperative direct mail advertising. The bill allows a local government or political subdivision of the state to continue to exempt such direct mail advertising materials from local sales or use tax.

BILL [HB10-1190](#)

Short Title: Suspend Indus Fuel Sales & Use Tax Exemp
Sponsors: POMMER / HEATH

For the period commencing March 1, 2010, and ending June 30, 2012, the bill suspends the exemption from the state sales and use taxes for the storage, use, or consumption of electricity, coal, coke, fuel oil, steam, nuclear fuel, or gas for use in processing, manufacturing, mining, refining, irrigation, building construction, telegraph, telephone, and radio communication, street and railroad transportation services, and all industrial uses and makes conforming amendments to prevent the suspension of the exemption from affecting county, municipal, and other local government or political subdivision sales and use taxes.

BILL [HB10-1191](#)

Short Title: Elim Candy & Soda Sales Tax Exemption
Sponsors: POMMER / HEATH

Effective March 1, 2010, sections 1 and 2 of the bill:

- * Narrow the existing state sales and use tax exemptions for food so that candy and soft drinks are no longer exempt from the state sales tax and use taxes;
- * Authorize the department of revenue to promulgate rules that allow sellers of candy and soft drinks to, if necessary, reasonably estimate the amount of sales taxes due on their sales; and
- * Make conforming amendments to prevent the narrowing of the exemption from affecting county, municipal, and other local government or political subdivision sales and use taxes.

BILL [HB10-1192](#)

Short Title: Sales & Use Tax Of Standardized Software
Sponsors: POMMER / HEATH

The bill repeals a special regulation promulgated by the department of revenue related to the type of software subject to sales or use tax. The bill specifies that standardized software is included in the definition of tangible personal property and defines standardized software.

BILL [HB10-1193](#)

Short Title: Sales Tax Out-of-state Retailers

Sponsors: POMMER / HEATH

Section 1 of the bill relates to current law requiring a retailer to collect sales tax from a person residing in this state only if the retailer has sufficient connections with this state. Commencing March 1, 2010, section 1 articulates a presumption that any out-of-state retailer that has a referral relationship with an affiliate has an obligation to collect sales tax. The bill specifies that the presumption may be rebutted by the out-of-state retailer if the retailer can show that the affiliate with whom the retailer has such a relationship did not engage in active solicitation. The bill defines an affiliate as a person residing in this state that solicits business by means of a public forum in this state. Section 2 specifies that, for purposes of any efforts to collect use tax, the executive director of the department of revenue may issue a subpoena to any out-of-state retailer if the out-of-state retailer refuses to voluntarily furnish specific information when requested and may take the out-of-state retailer's testimony under oath. If the out-of-state retailer fails or refuses to respond to the subpoena and give testimony, the executive director may apply to any judge of the district court of the state of Colorado for an attachment against the out-of-state retailer for contempt.

BILL [HB10-1194](#)

Short Title: Elim Nonessent Articles Sales Tax Exemp

Sponsors: FERRANDINO / HEATH

Effective March 1, 2010, the bill narrows the existing state sales and use tax exemptions for sales to retailers or vendors of food, meals, or beverages of articles, containers, and bags that are to be furnished without separate charge to consumers or users for use with articles of tangible personal property purchased at retail upon which state sales tax is paid so that articles, containers, and bags that are nonessential to the consumer or user are no longer exempt from the state sales and use taxes and makes conforming amendments to prevent the narrowing of the exemption from affecting county, municipal, and other local government or political subdivision sales and use taxes.

BILL [HB10-1195](#)

Short Title: Suspend Ag Sales & Use Tax Exemp

Sponsors: FERRANDINO / HEATH

The bill suspends the exemption from the state sales and use taxes for the sale or storage, use, or consumption of agricultural compounds used in caring for livestock, semen for agricultural and ranching purposes, and pesticides for use in the production of agricultural and livestock products for the period beginning March 1, 2010, and ending June 30, 2013. The bill also prevents the suspension of the exemption from affecting sales or use taxes levied by towns, cities, counties, or

other political subdivisions of the state that are based on the state sales or use tax unless a town, city, county, or political subdivision expressly subjects such sale or storage, use, or consumption to its sales or use tax for the specified period at the time of adoption of its initial sales or use tax ordinance or resolution or subsequent amendment to the ordinance or resolution.

BILL [HB10-1197](#)

Short Title: Reduce Conservation Easement Cap Amount
Sponsors: FERRANDINO / HEATH

Taxpayers are currently allowed to claim a state income tax credit for donating a conservation easement. The amount of the credit is equal to 50% of the fair market value of the easement, with a cap of \$375,000. The bill reduces the amount of the cap to \$135,000 for donations made on or after January 1, 2011.

BILL [HB10-1198](#)

Short Title: Susp Credit Alternative Minimum Tax
Sponsors: FERRANDINO / HEATH

The bill suspends for taxable years beginning on or after January 1, 2010, the credit against the state income tax for an amount equal to 12% of the credit allowed for payment of minimum tax liability under the federal internal revenue code.

BILL [HB10-1199](#)

Short Title: Net Operation Loss Deduction Temp Limit
Sponsors: FERRANDINO / HEATH

Under current law, a corporation may reduce its Colorado taxable income by carrying forward a net operating loss (NOL). There is no annual limit on the amount of NOL that may be carried forward. For each of the next 3 income tax years, the bill limits the amount of NOL that may be carried forward to \$250,000. A NOL may be carried forward one additional year for each year that a corporation is prohibited from carrying forward a portion of its NOL because of this limit.

BILL [HB10-1211](#)

Short Title: Reduce Late Vehicle Registration Penalty
Sponsors: TYLER / WILLIAMS

Effective July 1, 2010, the bill reduces the penalty for late registration of a vehicle without motive power that weighs 2,000 pounds or less from \$25 per month up to \$100 to \$10.

BILL [HB10-1212](#)

Short Title: Req Rules For Late Veh Regis Fee Exemps

Sponsors: RICE / SCHWARTZ

The bill requires the executive director of the department of revenue to promulgate rules that establish circumstances, in addition to circumstances already established in statute, in which a vehicle owner shall be exempted from paying the late fee for late registration of a motor vehicle. The bill requires the rules to apply uniformly throughout the state and to include, but not be limited to, exemptions for:

- * Acts of God and weather-related delays;
- * Office closures and furloughs;
- * Medical hardships, which shall not include financial inability to pay;
- * Out-of-state lienholders; and
- * Information technology failures. The bill requires the executive director to consult with the county clerk and recorders in promulgating the rules.

BILL [HB10-1268](#)

Short Title: Register Vehicle Two Years

Sponsors: KING S.

The bill authorizes the owners of motor vehicles, trailers, and mobile machinery to elect to register their vehicles for 2 years. Vehicles registered for 2 years are exempt from the registration late fee.

BILL [SB10-004](#)

Short Title: Repeal Late Regis Penalties Of SB09-108

Sponsors: WHITE

Effective July 1, 2010:

- * Section 2 of the bill repeals the mandatory late vehicle registration fee of \$25 per month up to a maximum of \$100 enacted by Senate Bill 09-108 and reinstates the waivable fee of up to \$10 that was in effect prior to the enactment of Senate Bill 09-108.
- * Section 5 of the bill repeals the supplemental unregistered vehicle fine of \$25 per month up to a maximum of \$100 enacted by Senate Bill 09-108 that is imposed on a person who is convicted of a misdemeanor for knowingly failing to register a vehicle within 90 days of becoming a Colorado resident. Sections 1, 3, 4, and 6 of the bill make conforming amendments.

BILL [SB10-011](#)

Short Title: Workers' Comp Conflicts Of Interest

Sponsors: CARROLL M. / MIKLOSI

Interim Committee to Study Issues Related to Pinnacol Assurance. Section 1 of the bill requires a physician who has been proposed by the division of workers' compensation (division) in the department of labor and employment to perform an independent medical examination (IME) of an injured worker to disclose any business, employment, financial, or advisory relationship with an insurer or self-insured employer if a party requests the information. Section 1 gives a party to the IME process the right to obtain and review the information regarding any physicians proposed to conduct the IME prior to making a determination to eliminate one of the proposed physicians as an examiner. Section 1 also directs the director of the division to adopt rules as necessary to implement the disclosure requirements. Section 2 of the bill prohibits the payment of a financial incentive by an insurer, self-insured employer, or health care provider to deny or delay a workers' compensation claim, or to deny or delay medical care or payment for medical treatment for any such claim. Section 2 declares that a violation of its provisions constitutes bad faith and an unfair or deceptive practice in the business of insurance and subjects the person committing the violation to penalties under the unfair or deceptive insurance practices statutes, which may be up to \$3,000 per violation, not to exceed an aggregate penalty of \$30,000, or, in the case of knowing violations, up to \$30,000 per violation, not to exceed an aggregate penalty of \$750,000 annually. Section 2 also subjects persons violating its provisions to penalties under the "Workers' Compensation Act of Colorado". Section 3 prohibits a treating physician from communicating with the insurer or employer of an injured worker unless the injured worker is present or the communication is in writing and is provided to the injured worker. Section 4 specifies that contractual provisions that establish a reversionary interest in an insurer for indemnity benefits are void as against public policy.

BILL [SB10-012](#)

Short Title: Workers' Comp Benefits Knowing Penalty

Sponsors: TOCHTROP / PACE

Interim Committee to Study Issues Related to Pinnacol Assurance. Increases the penalty for violating the workers' compensation laws from up to \$500 to up to \$1,000. Changes the mental state from "willfully" to "knowingly" in the statute that penalizes denying workers' compensation medical benefits, delaying payment of medical benefits for more than 30 days, or stopping payments. Allows the director of the division of workers' compensation or an administrative law judge to apportion the penalties, in whole or part, among the aggrieved party, the medical services provider, and the workers' compensation cash fund.

BILL [SB10-013](#)

Short Title: Workers' Compensation Accountability

Sponsors: HODGE / RYDEN

Interim Committee to Study Issues Related to Pinnacol Assurance. Section 1 of the bill requires workers' compensation insurers to survey a limited number of injured workers at the close of each claim. Section 1 also requires the insurers to report the results of the surveys to the division of workers' compensation (division) in the department of labor and employment, and requires the division to post the survey results on the division's web site. Finally, section 1 prohibits an employer or insurer from taking disciplinary action or otherwise retaliating against an injured worker or his or her dependents for completing a survey. Section 2 of the bill requires the chief executive officer of Pinnacol Assurance to submit an annual report to the governor and committees of the general assembly reporting on the business operations, resources, and liabilities of the Pinnacol Assurance fund. Section 3 of the bill requires the division to post on the division's web site the procedure for an injured worker to follow to file a complaint with the division regarding any issue over which the director or his or her designee has authority to pursue, settle, or enforce.

BILL [SB10-033](#)

Short Title: Fair Legal Employment Act

Sponsors: SCHULTHEIS / BAUMGARDNER

Under current law, employers are required to examine, and retain records of examining, the legal work status of new employees. The bill repeals the current law and instead creates the "Fair and Legal Employment for Coloradans Act" (act), which requires all nongovernmental employers in the state to participate in the federal electronic verification program (e-verify program) for purposes of verifying the work eligibility status of all new employees hired by an employer. A person who employs only H-2A workers would not have to comply with the act. Employers would be obligated to start participating in the e-verify program in accordance with the following schedule:

- * For employers with 200 or more employees, by January 1, 2011;
- * For employers with 50 or more employees but fewer than 200 employees, by July 1, 2011; and
- * For employers with fewer than 50 employees, by July 1, 2013. The attorney general is to impose fines on an employer for knowing or intentional failure to participate in the e-verify program or to provide documentary proof of participation. An employer would be prohibited from intentionally or knowingly employing an unauthorized alien, and would be required to immediately terminate an employee for whom the employer receives a final notice of nonconfirmation of work eligibility through the e-verify program. The attorney general or the county or city attorney, as appropriate, would be obligated to investigate complaints of employer noncompliance, and the appropriate county or city attorney would have to bring a court action against the employer when an investigation shows a complaint has merit. Upon finding a violation, the bill requires the court to order the employer to:
 - * Terminate the employment of all unauthorized aliens;
 - * Be subject to probation, during which the employer must submit quarterly reports of all newly

hired employees to the county or city attorney; and

* Submit a sworn affidavit attesting that the employer has terminated the employment of all unauthorized aliens. For knowing violations, the court may order the suspension of the employer's business licenses. For intentional violations, the court must order the suspension of all business licenses for a period determined by the court. For a second violation, the court is to order the immediate and permanent revocation of all business licenses. The bill requires the attorney general to maintain copies of, and provide access to, all court orders issued against employers and to maintain a database of employers with a first violation. The department of labor and employment (department) is required to notify employers via quarterly electronic publications and post a notice on its web site explaining the requirements of the act to employers. Additionally, the bill requires the secretary of state, in consultation with the department, to include information about the requirements of the bill on its web site. The bill creates the e-verify program cash fund, to consist of moneys collected as fines imposed on employers for failing to participate in the e-verify program. The moneys in the fund are to be used to cover the reasonable costs incurred by the attorney general, county attorneys, and city attorneys in administering and enforcing the requirements of the act. The bill defines as a discriminatory or unfair employment practice the refusal to hire, or to terminate from employment, a United States citizen or permanent resident alien while hiring or retaining an unauthorized alien in the same type of job when the employer knew or should have known that the person was an unauthorized alien.

BILL [SB10-034](#)

Short Title: Pesticide Act Refillers Requirements

Sponsors: WHITEHEAD / LOOPER

According to new requirements for pesticide containers and containments under the "Federal Insecticide, Fungicide, and Rodenticide Act" (FIFRA), a state with primary enforcement responsibility for pesticide use must have authority over establishments that refill pesticide containers to ensure compliance with the FIFRA. In order to meet this requirement, the bill amends the state "Pesticide Act" (state act) as follows:

- * Section 1 of the bill includes refilling pesticides among the regulated activities mentioned in the legislative declaration;
- * Section 2 defines the terms "refillable container", "refiller", and "refill";
- * Section 3 grants the state department of agriculture (department) jurisdiction in all matters pertaining to removal of pesticide residue from containers;
- * Section 12 requires pesticide refillers to comply with record-keeping and reporting regulations specified by the commissioner of the department of agriculture (commissioner) by rule;
- * Section 13 requires pesticide refillers to comply with residue removal requirements promulgated by the commissioner; and
- * Section 16 declares certain acts by pesticide refillers to be unlawful. In addition to the provisions regarding refillers, various provisions of the state act are amended as follows:
 - * Section 2 of the bill defines the term "federal act" to mean the FIFRA;
 - * Section 4 authorizes the commissioner to exempt, in accordance with the FIFRA, certain pesticides from the registration requirement;

- * Section 5 allows the commissioner to waive the requirement that a person applying to register a pesticide list all inert ingredients in the application;
- * Sections 5 and 9 require the commissioner to set by rule the date on which registrations of pesticides and devices, respectively, expire;
- * Sections 6 and 8 repeal redundant provisions stating that applicants must pay a penalty fee when cease-and-desist orders are issued for distribution of an unregistered pesticide or unregistered device, respectively;
- * Section 7 clarifies that the confidentiality provisions in the state act apply only to inert ingredients;
- * Section 10 allows an expired pesticide registration to be renewed within the 2-year period following the date of the registration's expiration, rather than the date the registration was issued;
- * Sections 10 and 11 require applications for renewal of pesticide and device registrations or pesticide dealer licenses, respectively, to be received, rather than postmarked, by the date specified by the commissioner;
- * Section 11 clarifies that, if an application for renewal of a pesticide dealer license is not timely received, the license shall not be renewed and the dealer must apply for a new license;
- * Section 14 amends an incorrect citation to federal rules; and
- * Section 15 adds to the list of unlawful acts making a false statement by any person on an invoice, record, report, or application required under the state act or under any rule promulgated pursuant to the state act. Section 15 also identifies making such a false statement as a deceptive trade practice under the "Colorado Consumer Protection Act".

BILL [SB10-044](#)

Short Title: Repeal Late Regis Penalties Of SB09-108

Sponsors: LUNDBERG / LAMBERT

Effective July 1, 2010:

- * Section 2 of the bill repeals the mandatory late vehicle registration fee of \$25 per month up to a maximum of \$100 enacted by Senate Bill 09-108 and reinstates the waivable fee of up to \$10 that was in effect prior to the enactment of Senate Bill 09-108.
- * Section 5 of the bill repeals the supplemental unregistered vehicle fine of \$25 per month up to a maximum of \$100 enacted by Senate Bill 09-108 that is imposed on a person who is convicted of a misdemeanor for knowingly failing to register a vehicle within 90 days of becoming a Colorado resident. Sections 1, 3, 4, and 6 of the bill make conforming amendments.

BILL [SB10-048](#)

Short Title: Commodity Scrap Metal Purchase

Sponsors: HEATH / LEVY

Section 1 of the bill requires the buyer of commodity metal to photograph the seller. The buyer is required to keep the photograph for 3 years and cross reference it with the records of the sale. In

addition, the buyer must wait 5 days after delivery before paying for the metal and must pay by a check mailed to the seller's address. Section 2 imposes the law regulating scrap metal to sales of less than 25 pounds by repealing an exception.

BILL [SB10-057](#)

Short Title: Nonmotorized Veh Late Registration Fee

Sponsors: CADMAN

Effective July 1, 2010, for nonmotorized vehicles only, the bill repeals the mandatory late vehicle registration fee of \$25 per month up to a maximum of \$100 enacted by Senate Bill 09-108 and reinstates the waivable fee of up to \$10 that was in effect prior to the enactment of Senate Bill 09-108.

BILL [SB10-085](#)

Short Title: Exempt Personal Prop Tax Pilot Program

Sponsors: SCHEFFEL / PRIOLA

The bill establishes a pilot program to reimburse 5 participating counties for revenue lost as a result of a business personal property tax exemption. To qualify as a participating county, a county must:

- * Enact an ordinance to eliminate the business personal property tax for 5 years; and
- * Have a population that is greater than 20,000 but less than 500,000. The state will reimburse a participating county for lost property tax revenue for 4 of the 5 years that the exemption is in place. The first year the reimbursement will be 100% of the lost property tax revenue, and that percentage will be reduced by 25% in each of the next 4 years. After the 5 years of the county business personal property tax exemptions, legislative council staff will undertake a study to determine whether the exemptions stimulated economic growth. Staff will prepare a report of the findings to be delivered to legislative committees.

BILL [SB10-086](#)

Short Title: Phased-in Fully Depreciated Prop Exempt

Sponsors: SCHEFFEL / PRIOLA

The bill exempts a percentage of all business personal property that is fully depreciated beginning in the 2011 property tax year. The exemption percentage starts at 25% and increases every 4 years until the property is entirely exempt beginning with the 2023 property tax year. The bill also clarifies that the new exemption shall apply before an existing exemption, which is on a per personal property schedule basis.

BILL [SB10-110](#)

Short Title: Primary Seat Belt Law

Sponsors: WILLIAMS / RYDEN

Under current law, failure to wear a restraining device in a vehicle is a secondary offense. The bill makes failure to wear a restraining device in a vehicle a primary offense and punishable as a class B traffic infraction. For a law enforcement officer to stop a driver for a restraining device violation, the officer must clearly observe the restraining device violation and be able to articulate that the restraining device was unfastened. If a person charged with a restraining device violation produces a bona fide written statement by a physician certifying that physical disability makes restraint by a safety belt system inappropriate, the charge will be dismissed. The bill increases fines for restraining device violations. The bill modifies the age and height requirements for certain children who are otherwise required to be fastened in a child restraint system. The general assembly states its intent that the statutory prohibition against profiling be strictly observed by each law enforcement officer who stops or contemplates the stop of a motor vehicle driver for an alleged restraining device violation.

BILL [SB10-133](#)

Short Title: Income Tax Credit For Rehiring Employees

Sponsors: HEATH & ...

The bill establishes an income tax credit to incentivize Colorado businesses to rehire laid-off workers sooner. The tax credit is available for the income tax year commencing January 1, 2011, only. A qualified taxpayer may claim a credit for each employee the taxpayer rehires, so long as the taxpayer submits an affidavit stating that:

- * Each employee worked for the taxpayer for a full year prior to being laid off, was laid off by the taxpayer in 2009, and is not a new employee but is a former employee who has been rehired;
- * The employee has been retained by the taxpayer for one full year since the date of rehire; and
- * Without the credit allowed in the bill the taxpayer would not have rehired the employee by the date he or she was rehired. The credit may be carried forward for a 5-year period but not refunded. The bill also grants the department of revenue rule-making authority to administer and enforce the credit.

BILL [SJR10-002](#)

Short Title: Request For Comprehensive Tax Study

Sponsors: HEATH / COURT

*** No bill summary available ***