

## **2024 DRCOG LEGISLATIVE WRAP-UP**

### **May 8, 2024**

During the Second Regular Session of the 74<sup>th</sup> General Assembly, the DRCOG Board took official positions on 20 bills. DRCOG staff and lobbyists actively monitored and lobbied these bills, including seeking specific amendments to the bills where appropriate and providing input to legislative sponsors, committees and staff.

These bills were of special interest because of an identified effect on the regional programs administered by DRCOG or member governments. DRCOG staff and lobbyists also actively monitored and, in some cases, provided input and advice on the Long Appropriations Bill and over thirty other bills for potential effect on DRCOG, its programs or its members.

The most significant pieces of legislation for DRCOG are summarized below. A final status report on all the bills on which official positions were taken is attached.

### **Older Adults**

**HB 24-1430** (Long Bill Funding). The General Assembly passed, and the governor signed a budget that allocates \$16.2 billion in General Fund and a total of \$40 billion for FY 2024-2025. The budget fully funds K-12 education for the first time in years and makes significant investments in other K-12 programs, higher education, behavioral healthcare, public safety, and housing initiatives.

Within all of that, there was an increase of \$2 million in “State Funding for Senior Services”. This amount is a disappointment to the Area Agencies on Aging (AAA) and the local service providers they fund to provide services to older Coloradans in the community. Still, DRCOG’s share of the \$2 million will allow the DRCOG AAA to continue to provide some services it otherwise would have had to cut.

**HB 24-1211** (State Funding for Senior Services Contingency Fund). With the ongoing funding shortfall in state funding for AAA services, DRCOG staff and lobbyists were able to successfully engage the Joint Budget Committee to adopt this bill along with their work to finalize the current year budget (FY2024-25). It makes available \$2 million per year (separate from the \$2 million described above) to assist AAAs and their providers with temporary funds to bridge emergencies.

**SB 24-040** (State Funding for Senior Services). This bill looks strategically forward as it requires the Colorado Department of Human Services, Office of State Planning and Budgeting, and representatives of Area Agencies on Aging to review the adequacy of state funding for senior services and report the findings to the legislature this year and again every three years.

**HB 24-1322** (Medicaid Coverage Housing & Nutrition Services). This bill directs the Colorado Department of Health Care Policy & Financing (HCPF) to conduct a feasibility

study to pursue an “1115 waiver” so Medicaid can fund housing and nutrition services in Colorado. An 1115 Medicaid Waiver would give the state Medicaid program additional flexibility to better meet what is termed “the health-related social needs (HRSN)” of Medicaid populations by leveraging federal funds utilizing state dollars already spent on housing and nutrition support services.

## **Transportation**

Several transportation bills were introduced concerning transit and safety. Each was heavily amended as they moved through the process.

**SB 24-032** (Methods to Increase the Use of Transit) creates the Youth Fare Free Transit Grant Program to provide grants to transit agencies around the state for fare-free year-round transit services for Coloradans ages 19 and younger. It also makes permanent the “Ozone Season Free Transit Grant Program” that funds Colorado’s free transit rides during peak ozone season and renames the program the Zero Fare Transit Fund. The bill creates a “statewide transit pass exploratory committee” within the Colorado Department of Transportation (CDOT) to produce a proposal for implementing a statewide transit pass.

The bill was temporarily amended to add an extension of the “employer alternative transportation options tax credit” that was set to expire at the end of 2024 for four years. However, the amendment was removed in the House. But on the last day of the session, HB 24-1036 was amended in the Senate to add a two-year extension of the credit.

**SB 24-184** (Support Surface Transportation Infrastructure Development) establishes requirements for CDOT, the Regional Transportation District (RTD), and the Front Range Passenger Rail District (FRPR) to promote the expansion and development of surface transportation infrastructure networks. This includes encouraging these entities to coordinate efforts to secure the funding needed to establish passenger rail service from Denver to Fort Collins and then to Pueblo and Trinidad. It implements a “congestion reduction fee” on rental vehicles. Proceeds from the fee are expected to provide sustainable funding to be used as a match for federal investment opportunities for statewide transit and rail, as well as other forms of public transportation. It requires the Colorado Transportation Investment Office (CTIO) to develop a new, multimodal strategic capital plan that aligns with CDOT’s ten-year plan, statewide transit plans, greenhouse gas pollution reduction goals, and other greenhouse gas reduction priorities and pollution reduction planning standards.

**SB 24-230** (Statewide Remediation Services), was introduced late in the session as part of a compromise between the oil and gas industry and environmental groups. In addition to other provisions, the bill creates a new production fee for clean transit that will provide formula grant funds to eligible entities for transit operations, local transit grants for transit capital improvements, and a rail funding program. It also includes a

number of transparency requirements on large transit providers that serve a population of one million or more people.

**HB 24-1447** (Transit Reform), which ultimately failed to pass, would have made extensive changes to the governance structure of RTD, including its Board of Directors; established planning requirements to support state and regional climate, housing, and transportation goals; and required certain operational, training and transparency efforts. It would have required RTD to coordinate with DRCOG regarding its fixed-route service plans and changes to ensure consistency with the DRCOG Regional Transportation Plan. The bill also was intended work with SB 24-184 and SB 24-230 (which establishes a “production fee for clean transit” on oil and gas producers, the proceeds of which will be allocated to local transit agencies and passenger rail projects).

**HB 24-1313** (Housing in Transit-Oriented Communities) passed with many amendments requested by DRCOG and our local government partners. In addition to these amendments, punitive provisions, including withholding Highway Users Tax Fund (HUTF) money and authorizing the Department of Local Affairs (DOLA) to seek injunctions against local governments for noncompliance, were removed. Basically, it requires that specified local governments plan and implement housing density goals approved by DOLA and creates a grant program and other technical assistance to support these efforts.

**HB 24-1304** (Minimum Parking Requirements), the scope of which was significantly narrowed, still prohibits a local government from enforcing minimum parking requirements for multifamily residential development, adaptive re-use for residential purposes, or adaptive re-use mixed-use purposes that include at least 50 percent of use for residential purposes. The prohibition applies to parcels located within ¼-mile of rail stations or frequent bus corridors and within an MPO boundary. Local governments may impose and enforce a parking requirement in connection with a housing development project intended to have 20 units or more of regulated affordable housing and are eligible for funding for affordable housing that requires a certain number of parking spaces.

**SB 24-036** (Vulnerable Road User Enterprise), which ultimately failed to pass, would have created a new enterprise funded with a fee on larger vehicles to implement safety improvement projects through a grant process. When the bill was postponed indefinitely, **SB 24-195** (Protection of Vulnerable Road Users) was introduced. The bill directs CDOT to use a specific portion of its FASTER Safety revenue for safety projects that benefit vulnerable road users and places new coordination requirements on the deployment of automated traffic enforcement technology on the state highway system. This bill passed both chambers.

## **Housing**

**SB 24-1152** (Accessory Dwelling Units) removes much of the ability of jurisdictions to place restrictions on ADUs. The bill was amended to allow a local government to require

parking under certain circumstance and allows local governments to set a maximum size requirement of 750 square feet. There is a \$5 million state grant program to help local governments implement policies to promote and streamline the construction of ADUs, including support for lower and middle-income Coloradans building an ADU, property owners renting their ADU at an affordable rate, and the construction of accessible ADUs. There also is \$8 million in funding through the Colorado Housing and Finance Authority to directly help homeowners in ADU-supportive jurisdictions build ADUs, including with down payment assistance, affordable loans, and buying down interest rates on loans for the conversion or construction of ADUs.

**SB 24-174** (Sustainable Affordable Housing Assistance) requires DOLA to develop methodologies (including methodologies to identify areas at an elevated risk of displacement) and conduct various housing needs assessments and action plans and provide grants and technical assistance (\$15 million over the next two years) to assist local governments and regional planning commissions to conduct housing needs assessments and action plans. In addition, county and municipal master plans will need to include water supply and strategic growth elements to facilitate the alignment of infrastructure investments and new development. State grant programs will prioritize local governments applying for grants for land use planning or housing that are in full compliance with the assessment and planning requirements.

### **Construction Defects**

The story about construction defects legislation in this session is one of competing bills, each of which ultimately failed to pass. DRCOG supported **HB 24-1083**, which proposed a study of construction liability insurance, and **SB 24-106**, which would have established a “right to repair” as a middle ground between lawsuits and the chance for builders to remedy problems in condo and home construction, with the ultimate goal of lowering insurance costs and spurring more building. **SB 24-112**, which provided various protection for construction professionals, didn’t even make it out its first committee. **HB 24-1230**, the one bill designed to give homeowners a longer window in which they could sue over defects, died on the calendar in the Senate.