

LEGISLATIVE REPORT TO  
ROCKY MOUNTAIN AGRIBUSINESS ASSOCIATION

MARCH 29, 2017

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AND  
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We have now reached the midway point of the Session and the Legislature is focusing on the budget bill (Long Bill, S.B. 17-254) and transportation funding. That being said, once the House concludes its review of the Long Bill at the end of next week, we expect that there will be a flurry of “late bills” from various special interest groups and politically motivated constituents. If the omnibus marijuana bill is introduced, it will be introduced sometime mid-April.

I. UPDATE ON PRESIDENT TRUMP AND EPA

By now you all have read the media coverage of the proposed Trump budget on USDA and EPA. On March 16, Shayne attended a speech given by Myron Ebell, chair of the EPA Transition Team for President Trump along with Kevin Freud and Jessy Nicholson. We learned as follows: first, EPA will be looking to the states for more enforcement and regulatory functions, with EPA folks stepping out of those roles; and second, to the extent that federal enforcement is conducted that function is likely to be transferred to Department of Justice. Mr. Ebell did not predict that the current EPA grant programs to the states would be reduced, which is good news. Also, it did not appear that pesticide regulation had been a focus of the transition team, so more details will need to be discovered on that specific topic. The rumored reduction in force for EPA employees is unlikely to start for at least 120 days or more as Congress starts looking at the budget. Shayne Madsen’s personal observation is that it is probably in the best interest of the industry to ensure that the Colorado Department of Agriculture is adequately funded to perform its core functions. We are advised that the Colorado Department of Health and Environment has been focused on turning itself into the Colorado EPA since the election. This appears to be an astute move. There is some regulatory overlap between CDPHE and CDA and it is a fair question for Commissioner Brown at some point to inquire into his vision of CDA's future. As Governor Hickenlooper has asked each department to look at the President's proposed budget and gauge the impact on Colorado, we would suggest that RMAA make a strong offer to Commissioner Brown to help in that effort to ensure that the programs that are key for RMAA members remain robust. We have been advised also that there are 60 active cases in the Attorney General’s office for pesticide contamination on marijuana. Those efforts must be negatively impacting CDA, but we are not certain how this workload should be addressed.

II. COMPLETED BILLS

**BILL [HB17-1030](#)**

Sponsors: Rep. Arndt (D., Fort Collins), Rep. J. Becker (R., Fort Morgan) and Senators Sonnenberg (R., Sterling) and Baumgardner (R., Cowdrey)

The bill removes inconsistencies and updates antiquated provisions in the 1921 irrigation district law; clarifies the definition of landowners entitled to receive water, vote in district elections and serve on the board of directors; updates dollar figures and, in subsequent years, adjust for inflation; defines “agricultural land”; updates election procedures; clarifies how irrigation district assessments are collected and held; and modernizes procedures for selling surplus property. The Bill also clarifies that water acquired in excess of an irrigation district’s own needs can be leased for all beneficial purposes, rather than only for domestic, agricultural, and power and mechanical purposes, and that the provisions of the 1921 irrigation district law are in addition to powers conferred on irrigation districts in other statutes.

**Status**

Signed by the Governor on March 8, 2017.

**BILL [HB17-1033](#)**

Sponsors: Rep. J. Becker and Senator Sonnenberg

Authorized South Platte river basin reservoir dredging projects.

**Status**

Postponed Indefinitely.

**BILL [HB17-1076](#)**

Sponsors: Rep. Arndt and Senator. Fenberg (D., Boulder) and Senator Coram (R., Montrose)

Currently, the state engineer must promulgate rules for the permitting and use of waters artificially recharged into 4 named aquifers. The bill adds the requirement that the state engineer also promulgate rules for the permitting and use of waters artificially recharged into nontributary groundwater aquifers. The rules must be promulgated on or before July 1, 2018.

**Status**

Awaiting signature by the Governor.

**BILL [HB17-1094](#)**

Sponsors: Rep. Buck (R., Windsor) and Rep. Valdez (D., La Jara) and Senators Crowder (R., Alamosa) and Donovan (D., Vail)

Expansion of telemedicine; helpful for rural areas.

**Status**

Signed by the Governor on March 16, 2017.

**BILL [HB17-1197](#)**

Sponsors: Rep. Ginal (D., Fort Collins) and Senator Coram (R., Montrose)

Exclusion of marijuana as defined by the Constitution from Farm Products Act.

**Status**

Awaiting signature by the Governor.

**BILL [SB17-022](#)**

Sponsors: Senator Donovan (D., Vail)

Rural development bill by Senator Donovan.

**Status**

Postponed Indefinitely.

**BILL [SB17-109](#)**

Sponsors: Senator Donovan and Rep. Arndt

The bill creates a group under the commissioner of agriculture to study the feasibility of including hemp products in animal feed. The group includes a hemp producer, a hemp

processor, a legal expert, a person from an institution of higher education who has studied hemp policy, a veterinarian, a livestock producer, and any other person the commissioner determines would facilitate understanding the legal, practical, or business considerations. The group will make recommendations by December 31, 2017.

**Status**

Signed by the Governor on March 20, 2017.

III. PENDING BILLS

**BILL HB17-1285**

Sponsors: Rep. Mitsch Bush (D., Steamboat Springs) and Rep. Lawrence (R., Littleton) and Senators Jahn (D., Wheat Ridge) and Cooke (R., Greeley)

Current law finances the state's water quality program with a mix of general fund money and fees that are paid by sources that discharge pollutants into the state's waters. **Section 2** of the bill raises the fees and establishes goals for future adjustments of the ratio of revenue from fees and the general fund as follows:

- Commerce and industry sector: 50% general fund and 50% cash funds;
- Construction sector: 20% general fund and 80% cash funds;
- Municipal separate storm sewer: 50% general fund and 50% cash funds;
- Pesticides sector: 94% general fund and 6% cash funds;
- Public and private utilities sector: 50% general fund and 50% cash funds; and
- Water quality certifications sector: 5% general fund and 95% cash funds.

**Status**

Pending hearing in House Finance Committee.

**BILL HB17-1234**

Sponsors: Rep. Lewis (R., Las Animas County) and Senator Marble (R., Fort Collins)

Country of origin beef labeling. Actively opposed by Cattlemen and retailers.

**Status**

Awaiting first committee hearing.

**BILL SB17-225**

Sponsors: Senator Cooke and Rep. Willett (R., Grand Junction)

**Committee on Legal Services.** Current law directs the office of legislative legal services to study the organizational recodification of title 12 of the Colorado Revised Statutes, which relates to professions and occupations. To implement the initial recommendations of the study, the bill relocates the following laws:

- Part 2 of article 16 of title 12, the 'Commodity Handler Act', to article 36 of title 35 ( **section 1** of the bill); and
- Part 1 of article 16 of title 12, the 'Farm Products Act', to article 37 of title 35 ( **section 2** of the bill).

**Section 10** of the bill repeals the article where these laws were previously codified, and **sections 3 through 9** make conforming amendments.

#### **Status**

Awaiting first Senate committee hearing.

When in draft this bill was submitted to the RMAA Legislative Committee and no concerns were articulated.

#### IV. TRANSPORTATION FUNDING

##### A. H.B. 17-1242

[http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A\\_1242\\_01.pdf](http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_1242_01.pdf)

Sponsors: House Speaker Duran and Rep. Mitsch Bush (D., Steamboat Springs); Senate President Grantham and Senator Baumgardner

Raises state sales taxes by 21%, authorizes bonding and set asides 30% of funds for transit. If passed in the Legislature, the sales tax increase and the bonding must pass on the 2017 statewide ballot. Going through the Legislature simply allows the proponents to avoid the signature gathering and Title Board process. Proponents have also filed initiatives to achieve the same goals if the Bill does not pass.

##### B. S.B. 17-267

[http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A\\_267\\_01.pdf](http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_267_01.pdf)

Sponsors: Senators Sonnenberg (President Pro Tem) and Guzman (Senate Minority Leader); and Rep. K.C. Becker (House Majority Leader) and Rep. J. Becker (R., Fort Morgan)

Combines increased funding for rural roads into a proposal to increase funding for rural hospitals by utilizing the hospital provider fee and increases funding for rural K-12 education. Instead of bonding, the Bill proposes the use of Certificates of Participation, which do not require approval by a statewide vote. The Bill also strongly encourages each department of state government to decrease its executive budget by 2%.

C. Initiatives 2017-2018 #21 and #22.

[http://leg.colorado.gov/sites/default/files/initiatives/2017-2018\\_21.pdf](http://leg.colorado.gov/sites/default/files/initiatives/2017-2018_21.pdf)

[http://leg.colorado.gov/sites/default/files/initiatives/2017-2018\\_22.pdf](http://leg.colorado.gov/sites/default/files/initiatives/2017-2018_22.pdf)

Proposed by the Independence Institute, these initiatives authorize bonding for state road and bridge construction, maintenance and repair (\$3.5 billion or \$2.5 billion) and challenges the Legislature to pay for the carrying costs of the bonds by reprioritizing the state budget to fund savings. The measures specifically list projects to ensure equitable, statewide projects, prohibits state agencies from using the proceeds for any other purpose and specifically excludes transit projects from being funded from the bond proceeds. One of these measures must be approved on the 2017 statewide ballot. Expect a contentious 2017 election cycle with at least two (2) competing measures on the ballot.