



## 2013 Legislative Summary

### [HB13-1001](#): Advanced Industries Acceleration Act

**Sponsors/Cosponsors:** *Representatives – Young/Heath*

**Public Summary:** The bill creates the advanced industries acceleration grant program in the Colorado office of economic development. The following industries are defined to be advanced industries: Advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and information technology.

### [HB13-1012](#): Extend Wildfire Mitigation Financial Incentives

**Sponsors/Cosponsors:** *Representatives – Gerou/Roberts*

**Public Summary:** Lower North Fork Wildfire Commission made a number of policy recommendations including this bill. The bill continues an income tax deduction for a landowner who performs wildfire mitigation measures on private land in a wildland-urban interface area.

### [HB13-1027](#): PUC Director Report to GA on Rate Cases

**Sponsors/Cosponsors:** *Representatives – Conti*

**Public Summary:** The bill requires the director of the public utilities commission (PUC) or the director's designee to report annually to the joint house and senate transportation committees regarding matters discussed on the record in energy rate case hearings that were decided by the commission during the immediately preceding 2 years. For all rate cases included in the report, the bill directs the commission to estimate the economic impact of the rates involved, including the average increase or decrease in ratepayers' monthly bills.

### [HB13-1044](#): Authorize Graywater Use

**Sponsors/Cosponsors:** *Representatives – Fischer/Schwartz*

**Public Summary:** Current law was unclear regarding whether, and under what conditions, graywater may be used. This legislation defines "graywater" as that portion of wastewater that, before being treated or combined with other wastewater, is collected from fixtures within residential, commercial, or industrial buildings or institutional facilities for the purpose of being put to beneficial uses authorized by the water quality control commission (commission) in the department of public health and environment. Sources of graywater may include discharges from bathroom and laundry room sinks, bathtubs, showers, and laundry machines, as well as water from other sources authorized by rules promulgated by the commission. Graywater does not include wastewater from toilets, urinals, kitchen sinks, non laundry utility sinks, and dishwashers. Graywater must be collected in a manner that minimizes household wastes, human excreta, animal or vegetable matter, and chemicals that are hazardous or toxic, as determined by the commission.

### [HB13-1103](#): PUC Oversight of Rail Fixed Guideway System

**Sponsors/Cosponsors:** *Representatives – Scott/Schwartz*

**Public Summary:** The public utilities commission is currently required to provide the executive director of the department of revenue with a list of the public utilities subject to its jurisdiction. The bill exempts certain rail fixed guideway systems from inclusion on the list. Current law authorized the commission to establish an oversight program for the safety and security of rail fixed guideway systems pursuant to the federal "Intermodal Surface Transportation Efficiency Act of 1991". In addition, the bill authorized the commission to establish the oversight program pursuant to the new federal "Moving Ahead for Progress in the 21st Century Act" (new federal Act). Previous law allowed the commission to assess fees to cover its administrative costs in connection with the oversight of rail fixed guideway systems. However, the new federal Act prohibits the commission from fixing fees against any rail fixed guideway system that it regulates. To comply with the new federal Act, the bill eliminated the authority of the commission to assess fees to cover administrative expenses and eliminates the requirement that all fees collected be remitted to the state treasurer and credited to the public utilities commission fixed utility fund. In addition, the bill clarifies that the commission may still expend moneys from the public utilities commission fixed utility fund to cover administrative expenses.

**[HB13-1105](#): Energy Saving Mortgage Program**

**Sponsors/Cosponsors:** *Representatives – Tyler/Schwartz*

**Public Summary:** The Colorado Energy Office currently administers the Colorado energy star/energy saving mortgage program, which provides loan benefits in the form of interest rate buy-downs to persons who take out mortgages to finance purchases of new energy efficient homes or improvements that make existing homes more energy efficient. This legislation further funds a Colorado energy saving mortgage program fund that is continuously appropriated to the office and is to be used by the office to fund the program, limits the amount of fund principal allowed to be appropriated or transferred to the fund from state sources to the total amount of fund principal credited to the fund from all non-state-sources combined, and specifies requirements for program participation and limitations on the maximum amount of financial benefits that a borrower may receive from an energy saving mortgage. An energy saving mortgage must be funded with contributions from the state, a participating public utility, and a participating lender, and the office may promulgate rules specifying minimum percentages of the total funding that each non-state source of funding must provide. The office may spend moneys contributed to the fund by a participating public utility only for energy saving mortgages for homes within the service area of the participating public utility. A public utility participates in the program by contributing moneys to the fund and may receive credit against its demand side management program goals, and any carbon emission program goals that may be established in the future, for its participation. The public utilities commission may promulgate rules that establish the requirements for claiming and methods for calculating the amount of any such credit.

**[HB13-1110](#): Special Fuel Tax & Electric Vehicle Fee**

**Sponsors/Cosponsors:** *Representatives – Fischer/Jones*

**Public Summary:** The bill levels the playing field for alternative vehicle fuels by basing fuel tax rate on energy content rather than volume.

**[HB13-1132](#): Highway Vehicle Weight Limits**

**Sponsors/Cosponsors:** *Representatives – Mitsch Bush/Giron*

**Public Summary:** This legislation amends current state law regarding maximum vehicle weight on highways to conform to federal requirements for continued highway funding.

**[HB13-1185](#): Low-income Energy Assistance Transfer From Severance Tax**

**Sponsors/Cosponsors:** *Representatives – Gerou/Steadman*

**Public Summary:** The old statute outlined a schedule that determined when transfers to 3 funds were made in a fiscal year from the operational account of the severance tax trust fund to provide energy-related assistance to low-income households. The bill repeals that statutory section on July 1, 2013. The effect of this repeal is that the transfers for providing energy-related assistance to low-income households will then be made to all 3 funds 3 times in a fiscal year rather than each fund getting only one transfer in a fiscal year. This helps ensure that any proportional reductions that might need to occur as allowed by law are borne equally by the 3 funds throughout the fiscal year. The bill also provides a mechanism for the state treasurer to equalize the distributions for the 2012-13 state fiscal year.

**[HB13-1193](#): Advanced Industries Export Acceleration Program**

**Sponsors/Cosponsors:** *Representatives* – Kraft-Tharp/Jahn

**Public Summary:** The bill creates the advanced industries export acceleration program to be administered by the Colorado international trade office. The program, which lasts 5 years, is for the benefit of the advanced industries; manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and information technology. The program consists of international export development expense reimbursement, export training, and global network consultation. Under the first part of the program, OEDIT may reimburse a qualifying business for up to one-half of its international export development expenses. The maximum amount that a business may be reimbursed is \$15,000. OEDIT may conditionally approve an expense prior to the business incurring it and it may also establish conditions based on export sales under which the office receives payments from a business that received a reimbursement. As part of the export training, OEDIT is required to provide export training for businesses in the advanced industries to learn the fundamentals of exporting. OEDIT can collaborate with private trade organizations and federal export assistance organizations to conduct the training. Examples of the types of training OEDIT may offer are conferences, seminars, and workshops on trade-related topics. The global network consultation component of the program requires the office to develop a global network of trade consultants in key international markets to assist the office in accelerating advanced industries exports. OEDIT may work with the consultants to increase its knowledge about the market and make the consultants available for Colorado businesses to access. The bill also creates the advanced industries export acceleration cash fund. The state treasurer will annually transfer \$300,000 to the fund over the next 5 years. Moneys in the fund are continuously appropriated to OEDIT for the administration of the program. OEDIT is required to annually report to legislative committees about the program and its effectiveness.

**[HB13-1247](#): Innovative Motor Vehicle Income Tax Credit**

**Sponsors/Cosponsors:** *Representatives* – Duran/Johnston

**Public Summary:** This legislation was spearheaded by CEO and promotes Colorado's leadership on alternative fuel vehicles. The bill modified and extended the existing tax credit for innovative motor vehicles for an additional six years, through 2021.

**[HB13-1278](#): Oil Spills Gas Releases Reporting**

**Sponsors/Cosponsors:** *Representatives* – Mitsch Bush

**Public Summary:** The bill requires an oil and gas operator to report a spill of one barrel or more, or the equivalent of one barrel or more, of oil or exploration and production waste within 24 hours after the discovery of the spill. The operator is required to make the report to the oil and gas conservation commission; and to the entity with jurisdiction over emergency response within the local municipality, if the spill occurred within a municipality, or the local county if the spill did not occur within a municipality; to the surface owner; and to the owners of land adjacent to the spill. The operator's report of the spill must include information concerning the constituent compounds involved in the spill. This legislation authorizes the commission to promulgate rules to implement these requirements.

**[HB13-1289](#)**: Electronic Motor Vehicle Info Transfer

**Sponsors/Cosponsors:** *Representatives* – **Moreno/Jahn**

**Public Summary:** The bill provides authority to the department of revenue to establish a system to allow the electronic registration and titling of motor vehicles and electronic transmission of motor vehicle lien information.

**[HB13-1293](#)**: Governor to Create Executive Branch Climate Change Position

**Sponsors/Cosponsors:** *Representatives* – **Rosenthal**

**Public Summary:** The bill directs the governor to establish a position for climate change issues. The person appointed to that position is required to develop climate action plans and to report annually to the general assembly regarding how climate change affects the state. This person can be an existing employee within the executive branch.

**[SB13-019](#)**: Promote Water Conservation

**Sponsors/Cosponsors:** *Representatives* – **Schwartz/Fischer**

**Public Summary:** This legislation declares that increasing water use efficiency by appropriators promotes the maximum utilization of Colorado's water resources and is in the public interest. The amount of water that currently can be changed to a new type or place of use is limited by the amount of water that was historically consumed by the original type and place of use. Therefore, a water user had no incentive to reduce the amount of water diverted. Previous law encouraged the conservation of water in some contexts by eliminating from the determination of abandonment the period during which water is conserved under a variety of government-sponsored programs. However, in these contexts, the water conserved through a reduction in the application of the water to a beneficial use resulted in a reduction of consumptive use. This legislation directs the water judge to disregard the decrease in use of water from such programs in its determinations of historical consumptive use in change of water right cases and adds to the list a decrease in water use to provide for compact compliance. "Conserved water" was defined in statute so that water judges can allow a change of water right for conserved water.

**[SB13-028](#)**: Track Utility Data High Performance State Building

**Sponsors/Cosponsors:** *Representatives* – **Jones/Tyler**

**Public Summary:** For all state-assisted facilities that complete the design process on or after July 1, 2013, each state agency is now required to monitor, track, and verify utility vendor bill data pertaining to the state-assisted facility and annually report to the office of the state architect any necessary information used to ensure that the increased initial costs of the substantial renovation, design, or new construction, including the time value of money, to achieve the highest performance certification attainable are being recouped. A state agency may use a commercial utility tracking software for this purpose. The annual report must include information related to building performance based on the state-assisted facility's utility consumption. State-assisted facilities that have achieved the highest performance certification attainable and completed the design process prior to July 1, 2013, are strongly encouraged to monitor, track, and verify utility vendor bill data pertaining to such state-assisted facility to ensure that the increased initial costs to achieve the highest performance certification attainable are recouped.

**[SB13-070](#)**: Alternative Fuel Fleet Vehicles

**Sponsors/Cosponsors:** *Representatives* – **Schwartz/Scott**

**Public Summary:** In previous statute, the executive director of the department of personnel is required to purchase motor vehicles that operate on compressed natural gas (CNG) for the state's motor vehicle fleet system, subject to their availability and the availability of adequate fuel and fueling infrastructure. There was an exemption if the increased cost of the vehicle is more than 10% over the cost of a comparable nonflexible fuel vehicle. The bill requires the director to purchase motor vehicles that operate on CNG or other alternative fuels, as currently defined by law, for the state's motor vehicle fleet system if either the increased base cost of such vehicle or the increased life-cycle cost of such vehicle is not more than 10% over the cost of a comparable dedicated petroleum fuel vehicle. This allows state fleets to capitalize on fuel-saving costs which can more than offset higher initial costs. The legislation requires the director to submit a report to the transportation committees of the senate and the House of Representatives during the 2013 legislative session regarding the purchase of vehicles that operate on CNG and other alternative fuels.

**SB13-048:** Authorize Local Government Use of HUTF for Transit

**Sponsors/Cosponsors:** *Representatives – Todd/Tyler*

**Public Summary:** Previous law authorized the department of transportation to spend a portion of its highway users tax fund moneys on transit-related projects and specifies that the funding of such projects constitutes maintenance and supervision of public highways because it will help to reduce traffic on state highways, thereby reducing wear and tear on state highways and bridges and increasing their reliability, safety, efficient performance, and expected useful life. This legislation similarly authorizes counties and municipalities to spend moneys that they receive from the highway user's tax fund on transit-related projects. This means communities for the first time can use their share of the \$250 million pot of money made up of state fuel sales taxes and license plate fees — known as the Highway Users Tax Fund, or HUTF — on bike and pedestrian lanes and bridges, bus purchases, rail-station construction and other transit-friendly projects. Previously, HUTF could be used only to build and patch roads and bridges. The change is being cheered by proponents who see the need to retrofit neighborhoods and cities to prepare for wholesale changes on how people get around.

**SB13-074:** Irrigation Water Right Historical Use Acreage

**Sponsors/Cosponsors:** *Representatives – Hodge/Sonnenberg*

**Public Summary:** Previous law requires irrigation water right decrees to specify the acreage on which the water may be used, but some older decrees do not include an acreage limitation. For such decrees, water courts look to the original appropriator's intent in determining the lawful historical consumptive use of a decreed irrigation water right; however, it is often very difficult to determine the original appropriator's intent, which has resulted in cases that substantially decrease the acreage that has historically been irrigated by a water right. This legislation created a mechanism to determine the amount of acreage for an irrigation water right for which the original decree predates 1937 and is unclear about the amount of acreage that may be irrigated under the water right.

**SB13-075:** Promote Water Conservation of Designated Ground Water

**Sponsors/Cosponsors:** *Representatives – Brophy/Sonnenberg*

**Public Summary:** This legislation specified that once the state engineer issues a final permit for the withdrawal of designated ground water, a reduction in the amount of water used pursuant to the permit due to the conservation of water is not grounds to reduce the maximum annual volume of the appropriation, the maximum pumping rate, or the maximum number of acres that have been irrigated.

**SB13-126:** HOA Condo Apt Electric Vehicle Charging Stations

**Sponsors/Cosponsors:** *Representatives – Guzman/Duran*

**Public Summary:** This legislation prohibits a landlord or the unit owners' association of a condominium or common interest community, respectively, from restricting the right of a tenant or unit owner to install an electric vehicle charging system for his or her own use, at the tenant's or unit owner's expense, and subject to reasonable safety and insurance requirements. Previously, HOAs could ban homeowners or tenants from installing EVSE. This bill also allows grants to be made from the electric vehicle grant fund to apartment owners, condominiums, and common interest communities to install charging stations for electric vehicles.

**SB13-186:** Updating Requirements New Building Technologies

**Sponsors/Cosponsors:** *Representatives* – **Tochtrop/Petersen**

**Public Summary:** Because new photovoltaic technologies such as "solar shingles" are integrated into building materials, they are designed to be installed by trained roofing contractors and other trained building professionals and subsequently wired by electricians. Previous law required that a photovoltaic energy practitioner certified by the North American board of certified energy practitioners (NABCEP) supervise a photovoltaic installation.

This legislation permits a licensed master electrician, licensed journeyman electrician, or licensed residential wireman to supervise a photovoltaic installation. It also permits practitioners certified by NABCEP or roof integrated solar energy (RISE) to supervise an installation if the type of solar photovoltaic technology installed or the scope of installation involved need not be performed by a licensed master electrician, journeyman electrician, or residential wireman and the installation work concerns the installation of roofing materials; however, a licensed master electrician, journeyman electrician, or residential wireman must perform any installation work after the installation materials penetrate the roof, a structural wall, or another part of the building, or the building-integrated photovoltaic material transitions to a surface-mounted junction box and utilizes types of conduit and building wire that are approved by the national electrical code. In short, this legislation should reduce costs of solar installations reduces regulatory barriers.

**SB13-202:** Additional Inspections at Oil & Gas Facilities

**Sponsors/Cosponsors:** *Representatives* – **Jones/Singer**

**Public Summary:** The bill requires the Colorado oil and gas conservation commission to use a risk-based strategy for inspecting oil and gas locations that targets the operational phases that are most likely to experience spills, excess emissions, and other types of violations.

**SB13-212:** Energy District Private Financing Commercial

**Sponsors/Cosponsors:** *Representatives* – **Jones/Tyler**

**Public Summary:** The Colorado new energy improvement district previously allowed for financing of the completion of new energy improvements for residential real estate. This legislation allows owners of commercial property to utilize such financing, repeals the maximum 95% loan-to-value requirement for qualified applicants, and repeals the percentage-of-value and dollar caps on allowable new energy improvements. It also includes fuel cells within the definition of "renewable energy improvement" and includes improvements that increase the overall illumination of a property or bring the property up to building code within the definition of "energy efficiency improvement". The legislation directs the governor to appoint 5 members to the district board by September 1, 2013, modifies their qualifications, removes the legislative appointees from the board, and reduces the quorum from 6 to 4 members.

**SB13-252:** Renewable Energy Standard Retail Wholesale Methane

**Sponsors/Cosponsors:** *Representatives* – **Morse/Ferrandino**

**Public Summary:** In the statute creating Colorado's renewable energy standard, the bill removes in-state preferences with respect to:

- Wholesale distributed generation;
- The 1.25 kilowatt-hour multiplier for each kilowatt-hour of electricity generated from eligible energy resources other than retail distributed generation;
- The 1.5 kilowatt-hour multiplier for community-based projects; and
- Policies the Colorado public utilities commission (PUC) must implement by rule to provide incentives to qualifying retail utilities to invest in eligible energy resources.

The bill also raises the percentage of retail electricity sales that must be achieved from eligible energy resources by cooperative electric associations that provide service to 100,000 meters or more from 10% to 25%, starting in 2020, and increases the allowable retail rate impact for cooperative electric associations from 1% to 2%.

The bill expands the definition of "eligible energy resources" that can be used to meet the standards to include coal mine methane and synthetic gas produced by pyrolysis of municipal solid waste, subject to a determination by the PUC that the production and use of these gases does not cause a net increase in greenhouse gas emissions.

The bill also implements a new eligible energy standard of 25% for generation and transmission cooperative electric associations that directly provide electricity at wholesale to cooperative electric associations in Colorado that are its members. The standard applies only to sales by these wholesale providers to their members in Colorado. The wholesale providers are required to make public reports of their annual progress toward meeting the standard by 2020. The PUC is granted no additional regulatory authority over these providers in the implementation of this standard.

#### **[SB13-254](#): Fleet Vehicle Energy Cost-savings Contract**

**Sponsors/Cosponsors:** *Representatives* – **Jones/Tyler**

**Public Summary:** Previous law allowed a state agency or political subdivision to enter into a contract for analysis and recommendations regarding energy conservation measures that would increase utility cost savings and operation and maintenance cost savings in buildings or other facilities owned or rented by the state agency or political subdivision. The previous law also allowed a state agency or political subdivision to enter into a utility cost-savings contract with any person or entity experienced in the design and implementation of utility cost-savings measures for buildings or other facilities if the energy analysis and recommendations indicate that annual payments for utility cost-savings measures are expected to be equal to or less than the sum of utility and operation and maintenance cost savings achieved by implementation of such measures.

This legislation expands current law to allow a state agency or political subdivision to enter into a contract for such analysis and recommendations regarding energy conservation measures that would significantly increase vehicle operational and fuel cost savings in state or political subdivision fleet vehicles. It expands current law to allow a state agency or political subdivision to enter into a vehicle fleet operational and fuel cost-savings contract if the energy analysis and recommendations indicate that the annual payments for vehicle fleet operational and fuel cost-savings measures are expected to be equal to or less than the sum of the vehicle fleet cost savings achieved by the implementation of such measures. In addition, the legislation clarified that special districts are authorized to enter into such cost-savings contracts.

#### **[SB13-273](#): Renewable Energy Forest Biomass Incentives**

**Sponsors/Cosponsors:** *Representatives* – **Schwartz/Hammer**

**Public Summary:** The legislation emphasized the importance of reducing the large amount of diseased timber in Colorado by encouraging the use of forest biomass for energy generation and material for forest industry development will reduce the risk of future catastrophic wildfires, benefit the state's economy, and address Colorado communities' long-term forest health needs. The legislation directed the state forest service to collaborate with federal agencies to facilitate the use of forest biomass as feedstock for timber mills and other

industries and for renewable energy generation. The bill also encouraged communities that adopt or update its community wildfire protection plan (CWPP) to incorporate, as part of the CWPP, a biomass utilization plan developed in consultation with the state forest service. This bill directed the office of economic development (OEDIT) to apply tax credits and other incentives for the use of forest biomass in forest products industries and for biomass energy generation. These incentives would apply to facilities in the "red zones" of high wildfire risk as well as in existing enterprise zones. The bill further authorizes the executive director of the department of revenue to evaluate, apply, and publicize the application of economic development tax credits and other incentives from OEDIT. In addition the air quality control commission is tasked with analyzing equipment fueled by biomass (e.g., wood-burning stoves, etc.) for compliance with emissions standards and publishes the results for units of less than 1 million BTU per hour. The public utilities commission (PUC) is required, when evaluating proposed new sources of supply for electric utilities, to consider the potential contributions of those sources to wildfire risk mitigation specifically, in addition to environmental protection.

**[SB13-279](#): K-12 School Energy Resource Efficiency**

**Sponsors/Cosponsors:** *Representatives – Kerr/Gerou*

**Public Summary:** After January 1, 2014, each school district and district charter school shall ensure that each project for a new or substantially renovated building or structure is designed and constructed to the highest energy efficiency standards practicable, including but not limited to the federal energy star label or the highest performance certification attainable as certified by an independent third party pursuant to the public school facility construction guidelines adopted by the public school capital construction assistance board. A school that meets the construction or design high performance standards is encouraged to incorporate the measures adopted or standards met into its curriculum.

**[SB13-282](#): Tiered Electric Rate Medical Exemption**

**Sponsors/Cosponsors:** *Representatives – Guzman*

**Public Summary:** This legislation requires the public utilities commission (PUC) to adopt rules by November 1, 2013, to exempt customers with certain medical conditions from tiered electricity rates. Only customers who have an annual income of less than 60% of the median area income may qualify for this exemption. The bill establishes that fraudulent receipt of or application for this exemption constitutes theft. If the commission fails to adopt these new rules by November 1, 2013, the medical exemption from tiered electricity rates takes effect on that date.

**[SB13-286](#): Renewable Energy Inv Tax Credit Carryover Years**

**Sponsors/Cosponsors:** *Representatives – Hodge/Levy*

**Public Summary:** The bill extends the carry-forward period of the Enterprise Zone Investment Tax Credit by eight years for renewable energy companies, thereby allowing companies to carry the credit forward for a total of 20 years. The bill defines a renewable energy company as an entity in the solar thermal electric, photovoltaic, landfill gas, wind, biomass, hydroelectric, geothermal electric, recycled energy, anaerobic digestion, or renewable fuel business.