

Government Affairs Update

February 2018

Barbara Koelzer, Regional Government Affairs Director

barbara@ires-net.com

303.886.5675

LOCAL

Larimer County

REALTOR® Running for County Commission: Sean Dougherty, former Chair of the Fort Collins Board of REALTORS®, a member of the Larimer County Planning Commission, and current Chair of the Colorado Association of REALTORS® Legislative Policy Committee, has announced his decision to run for the Larimer County Board of Commissioners. The incumbent commissioner for District 1, Lew Gaiter, previously announced his candidacy for governor.

In addition to Dougherty, two other candidates have announced to date: John Kefalas, who currently represents the residents of Senate District 14 in the General Assembly and Dan Sapienza, who works for the Health District of Larimer County. The Loveland-Berthoud Association of REALTORS® will interview county commissioner candidates this fall prior to the November election.

REGION

CDOT Secures Contract to Expand I-25: On January 4th CDOT announced it had finalized a contract with Kraemer/IHC to add one additional lane in each direction between Highway 14 in Fort Collins through the intersection with Highway 402 south of Loveland. The \$248 million project is expected to take three years to complete. Work will begin this summer and should be finished in 2021.

The project is the result of advocacy by the North I-25 Elected Officials Coalition and the Northern Colorado Legislative Alliance's Fix North I-25 Business Alliance, in partnership with CDOT. It was paid for using a "patchwork" of funding, including a federal grant, state dollars and \$55 million from local governments.

As mentioned above, the new north and south lanes will be express or toll lanes. The purpose of the express lanes, according to CDOT, is to ensure trip reliability. Region 4 Executive Director Johnny Olson says drivers who pay to use the express lanes will reduce congestion on the highway for those who chose to drive in the two existing general-purpose lanes. In addition, the toll dollars raised will be used for further expansion and enhancements.

STATE

Governor Sets Priorities: In his last State of the State speech term-limited Governor John Hickenlooper urged the legislature to work together and "giddy up" during the 2018 session. He argued the legislature should invest in the economic success of rural Colorado, increase education funding and put additional money towards transportation, broadband and water storage and delivery. However, the

Governor didn't specify how the legislature should pay for these projects, and the response from legislators depended on their party affiliation. Democrats gave the Governor multiple standing ovations while Republicans were less enthusiastic about the speech.

Legislators Split on Big Issues: It comes as no surprise that legislators do not agree on priorities for the 2018 session or how to pay for them. The Republicans came out swinging, introducing a transportation funding bill as Senate Bill 1 "Fix Colorado Roads Act," as their highest priority for the session. The bill would use bonds to create \$3.5 billion in funding for CDOT's top list of transportation priorities, designating 10 percent for transit projects.

The Republicans argue the State should use more of the 2018 \$1 billion surplus revenue for transportation. The Governor has suggested using \$148 million while the GOP says that number should at least be doubled. Democratic legislators want to use more of the surplus for education and other socially-focused programs. They support new revenue sources for transportation, similar to the state sales tax measure that failed last year (House Bill 1242).

Another topic that is bound to be contentious is oil and gas. In the wake of the tragic Firestone accident last spring, Democrats are introducing bills designed to increase oil and gas setbacks. Senator Matt Jones (Boulder County) is sponsoring a bill that would give local governments, rather than the State, the ability to control oil and gas within their jurisdiction. Republicans will oppose those bills and use their slim one vote majority in the Senate to kill them if they can.

Housing, as always, will be the focus of numerous bills. CAR's Vice President for Public Policy, Liz Peetz, hasn't read the text for most of the bills she knows will be coming. On the opening day of the session, January 10, she told a group of REALTORS® what she expects to see coming down the pike.

In particular, she said we should expect to see several different bills intended to fund affordable housing via document fee increases, legislation related to manufactured housing as well as a bill that would limit the homestead property tax exemption to seniors with income of less than \$100,000. Peetz also noted that trial attorneys are pressing for a bill challenging the use of arbitration related to construction defect lawsuits and possibly a bill related to insurance reform related to this topic.

FEDERAL

Implications of the Tax Cuts and Jobs Act: The Republican bill designed to reform federal income tax regulations, the "Tax Cuts and Jobs Act," passed right before Christmas but it took NAR a while to review the page bill and analyze the implications for real estate and REALTORS®. Recently NAR released a policy paper that provides answers and examples. To read the paper, visit this link:

<http://bit.ly/2qpRWz9>