



ASSOCIATED GOVERNMENTS  
OF NORTHWEST COLORADO

MINUTES

**AGNC BOARD OF DIRECTORS & MEMBER MEETING**

**July 18, 2018**

*New Castle Community Center, 423 W. Main St., New Castle, CO 81647*

*9:00 AM to 1:30 PM*

Pledge of allegiance

**Call to order and introductions**– Chairman, Ray Beck Called the meeting to order at 9:07 am; introductions were made.

Approval of minutes: Si Woodruff made a motion to approve the minutes from the June 27, 2018, meeting as presented; Mike Samson seconded the motion; motion passed.

**Financial report:** Bonnie Petersen presented the financial report – total funds in checking and savings accounts at the end of June 2018 was \$541,352.88. Income for June was higher than projected budget and year-to-date revenue is higher than the budget projection. June expenses were higher than budgeted but year to date expenses are lower than budgeted. Year to date net income is better than projected budget and remains in negative territory. As of July 13, 2018, accounts receivable totaled \$29,634.82. Andy Key moved to approve the financial report; Si Woodruff seconded the motion; motion passed.

**Project and Committee Reports:**

**Area Agency on Aging** – Dave Norman reported that the 2018 grant awards are signed. Although, Congress has not passed 2019 budget and the state cannot pass federal funds through without the budget appropriation. State funding should keep AAoA going until October of this year. There are state dollars allocated to all projects but the contracts are pending federal funding; programs and contracts will run on state and local funding as long as possible anticipating that the federal funds will be forthcoming when the budget is approved and signed. The AAoA organizations have asked the state controller to rule on whether or not the state will provide funding while it is waiting on the federal government to finalize the budget. On August 14<sup>th</sup>, AAoA will be sponsoring a meeting at mesa county courthouse on the homestead exemption, the group has been requested by JBC to make recommendations on the future rules related to the exemption. The meeting will be from 8 am to 11 am at 544 Rood Ave. in the community room. On August 17<sup>th</sup>, AAoA will host a senior Law Day in Mesa County; AAoA will have three conferences in the month of August.

**Dinosaur Welcome Center** – Cheryl provided a written update for the DWC; see attachment A. Visitation in June was 4,369. For the first half of 2018 visitation is up 25% placing total number of visitors thus far at 11,045.

**Legislative Up Date** – Dianna Orf provided an overview of the interim and stakeholder committees currently being conducted; a written report was also provided and can be found as attachment B at the end of these minutes.

A tutorial was hosted for assessors on the difficulties for local governments related to the conflicts within Tabor, Gallagher and Amendment 23. Local governments could see the assessment rate drop to 6.2% which will make revenue receipts so low that it will be difficult to

keep districts and local governments funded. This reduction is driven by the increase in residential rates on the Front Range. A group has been convened to look for ways to manage the conflicts. Anything recommended by the group will have to go to voters and if there is an increase in residential property tax for owners it will meet with huge resistance. Rural areas are impacted to a greater degree with this dilemma. Internet sales tax in Colorado could have negative implications so it needs to be approached cautiously. CCI broadband legislation is being considered that will be looking at backup networks. Regarding the abatement question - CCI needs to have a plan by Friday outlining what they are doing; Representative Rankin and Garfield County Assessor Yellico are working together to do a bill. Initiative 93 regarding education funding has turned in their petitions; 98,000 signatures were required to get on the ballot, they turned in over 100,000 signatures. The initiative provides for an increase in personal income tax and calls for a graduated personal and corporate income tax structure. We may see Initiative 97 on the ballot; that initiative calls for Oil and Gas well setbacks of 2,500 feet from buildings as well as “sensitive areas.” If passed, this would put off limits about 85% of private land in the state and would stop energy development in its tracks. All the proponents of these initiatives have till August 6th to turn signatures in. Initiative 108 is another proposal that will be of interest to AGNC members; this initiative prohibits the reduction of the fair market value of private property without fair compensation. The Governor’s executive order regarding the adoption of California vehicle standards directs CDPHE to have rules in place by the end of this year’s so that group will start hearings about standards. (See full written report at Attachment B)

### **Resolutions for Consideration:**

Two resolutions for consideration were presented to the Board:

**18-2 – Support for Alternative Uses of Coal** – Professor Eric Eddings with the University of Utah is working on a research project to identify alternative uses for coal but in order to gain support for this concept, the idea is being communicated to state and federal legislators in an effort to raise awareness and support for these alternative uses of an abundant resource. Si Woodruff moved that AGNC adopt the resolution; Roger Granat seconded the motion; motion passed.

**18-3 – Support for Colorado Welcome Center in Dinosaur Colorado** – the resolution presented is similar to a resolution sent to the CLUB20 Board of Directors for consideration. AGNC members recognize Dinosaur Welcome Center (DWC) has been well supported by the counties in Northwest Colorado since it was established there. The members believe the entrance to Colorado in Dinosaur, is an appropriate location for a welcome center and the DWC staff does a good job of helping visitors understand what is available in the region and how to get to their destination. There have been a number of state support services that have been taken out of this region adding to the difficulties associated with economic diversification, workforce development and emergency services; AGNC members do not support further degradation of state services in the region. Mike Samson made a motion to adopt AGNC resolution 18-3; Si Woodruff seconded the motion; motion passed. Betsy Bair from Senator Gardner’s office requested that the finalized resolution be sent to the Senator’s office as they will forward the resolution to the Governor’s office with a letter outlining concerns from the Senator’s perspective.

**CEDS Goals and Strategies Review** - Tiffany Pehl provided a review of the goals and strategies developed for the Comprehensive Economic Development Strategy (CEDs) as a result of the public process utilized for the development of the document. There are four goals with numerous strategies outlined; AGNC needs to identify “champions” and partners for each of the strategies as well as measurements of success and timeframes for milestones. There will be a regional meeting on July 25, 2018, at the CMC campus in Rifle and input from participants will be gathered regarding the goals and strategies. The attendees will be asked to validate the goals and strategies in the breakout sessions at that meeting. The feedback from the meeting on July 25, 2018, will be added to the CEDs document along with the final components of the document and the final draft of the CEDs plan will be reviewed and discussed at the final regional meeting to be held August 10, 2018, at the Grand River Hospital in Rifle.

August 10<sup>th</sup> will be the opening day of the 30-day comment period; written comments will be taken through close of business September 10, 2018. Final adjustments to the CEDS will be made based on comments received and the document will be submitted by the end of September 2018.

**Northwest SBDC Update and Review** - Lyndsey Brozyna, Communications Manager for the SBDC, provided an update on the NW SBDC mission and current status of operations, etc. She noted that there is a “rural paradox” in the region; area median income is 83% less than the statewide average and continues to decline; boundaries and growth constraints due to large amounts of federal land result in a lack of space to build which drives up the cost of living; with warming temperatures the region could face less snow in the future; and the 17-37 year old millennials are approaching life differently than other generations who have supported the local economies in the past. The purpose of the SBDC is to help small businesses start, grow and prosper and that is done through one on one business consulting, workshops led by business experts and helping businesses identify ways to access capital. Over the past year, the NW SBDC has set goals to establish three “champion” markets, secure community funding, increase the vetted consultant pool to 20 and achieve a variety of goals based on community support. Between Moffat and Garfield Counties and communities in Garfield County, \$26,000 in community resources have been committed which can help drive one on one consulting time for local small businesses. Thirty percent of the new clients in the region in 2018 have come from Garfield County and there are now five experienced small business consultants now serving the county. Moffat County has generated five percent of new client inquiries this year and the SBDC is working to build a talented and experienced pool of consultants in Moffat County to serve the needs of businesses there. The SBDC is communicating with key stakeholders and community leaders about opportunities for the SBDC to work with the various resources already available in Routt County and to find ways that the SBDC network may complement these existing programs. A number of learning opportunities have been provided by the NW SBDC and there are five opportunities scheduled for September, October and into January 2019 for small businesses to take advantage of.

AGNC members shared the concern that while services from the NW SBDC seem to be moving in the right direction, there is still significant disappointment that Rio Blanco County seems to be left out of the network and the organization would like to see the state SBDC director address that situation.

**CPW Update** – JT Romatzke joined the meeting and Chairman Beck asked him if he would like to provide a brief update on issues CPW is dealing with this year. JT noted that there are many things going on with CPW right now. They are paying attention to the Eagle/Vail valley as the elk and many of the animals have left the area – it is uncertain if that is due to predation, disease, habitat, recreation impacts, chronic wasting disease (CWD) or what – they are trying to develop strategies to address the situation. CWD is a significant issue for the mule deer herds in NW Colorado – the state has lost about 50% of the deer over the last 15 years or so which is devastating – this herd is one of the largest in the world. Testing of the deer shows that about 15 to 20% of the animals have CWD – the disease is lethal to the deer. This is a huge economic issue as the hunting in NW Colorado funds the state’s wildlife program. Wolf introduction is also something some groups want to see – the AGNC resolution was appreciated – Big Game Forever is taking a stand on the issue and will host a symposium on August 11<sup>th</sup> with experts providing information on the impacts from other areas. Wolves are already in Colorado; CPW does not support bringing additional wolves into the state – any introduction would have to be approved by the state legislature.

#### **Federal Delegation Updates:**

Betsy Bair with Senator Gardner’s office noted that the Senator has introduced legislation to change 529 plans to allow use for early childhood education as well as for trade school certificates. The Farm Bill is going to conference committee this week. The Senator got an amendment to allow industrial hemp to be removed from the drug list; the amendment allows for banking and cleaned up other issues related to hemp production. The bill is going to conference committee and it would be helpful for people to reach out to conferees in the House asking them to support the hemp provisions. There are some categorical exemptions for forest service

whereby small acreages have been allowed to have a streamlined NEPA process; a change has been proposed to increase that exemption from 3000 to 6000 acres. Efforts for tax reform 2.0 are starting in the House - hoping to fix things missed in first package like IRS reform. Senator Gardner is looking at way to expand opportunity zones; there is no way for counties to opt in and make the case about why they should qualify as an opportunity zone, the Senator would like to see some flexibility in that. The treasury is promulgating rules for OZ's. The Senator also introduced the airways act mandating that the government auction spectrum off and it provides 10% for rural broadband which may be about \$7 billion. He is also looking at using e-rate money for additional broadband support i.e. WiFi on buses. The Senator signed on to a letter asking the White House to be cautious with sanctions and tariffs that have the potential to harm local ag businesses. The DOE just created an office of Cyber security; our grid is vulnerable, and nobody was watching, the DOE is now. Jordan cove – Senator Gardner has been meeting with allies in east Asia who have kept saying they don't really have an official position but are begging for US natural gas fearful of their reliance on getting the resource from hostile countries. A \$150k grant has been made to support the meeker airport master plan. Nominations by the President are getting through the Senate as quickly as nominations are coming in but, in the case of the FERC commissioner, the timing is not known. Secretary Zinke spoke with the Senator and said he is supportive of Grand Junction as a candidate community for the BLM HQ relocation; expect to see Zinke in Western Colorado by December. Gardner has concerns on LWCF - about expenditures but was successful in getting fire funding passed this year. There is some misinformation abounding about him not supporting public lands which is very incorrect. The Senator will continue to support public lands, he does not advocate giving lands to local governments and believes the lands held in trust should be managed appropriately.

George Rossman provided an update for Congressman Tipton's office; he is also being targeted by people saying he is not supportive of public lands and they are doing the same regarding health care. Helsinki summit created a stir and the office is taking a lot of calls about it. Public statement (on website) Introduced HR6344 amendment to ESA that would allow federal government to work with private land owners to work on conservation and provides payment for dollars spent for the benefit of species. A bill has been introduced that would make the flying of drones in fire zones a felony - unauthorized drones are impeded fire activity and they create safety hazards. If a drone is spotted by a fire tanker, the pilot must immediately dump the load and land the plane which is costly, ineffective and, most of all, dangerous. The bill has also been introduced in the Senate and amends parks and public lands management act. Allows federal dollars to be retained by ski area to upgrade area. Fires have been everywhere the Congressman toured some of the areas; there is no indication yet as to cost of fires.

Shannon Wadas from Senator Bennet's office was unable to attend but provided and update via email:

- Regarding Anvil Points: Senator Bennet joined Senator Gardner and Congressman Tipton on a letter to the Senate Armed Services Committee encouraging them to include Section 3204 in the House passed HR 5515 in the National Defense Authorization Act.
- Senator Bennet spoke out against the summit with President Trump and President Putin and stated President Trump should have held Putin "accountable for undermining democracies around the world, the chemical attack in the UK and the annexation of Crimea".

- The Senate has been discussing legislation that would require Congress to approve future tariffs based on national security. On July 11<sup>th</sup>, there was an 88-11 vote that would require Congressional approval, but this was a non-binding, test vote sponsored by Senator Corker.
- The National Flood insurance program will expire the end of this month. Senator Bennet is in strong support of re-authorization as soon as possible.
- Senator Bennet joined a letter to USDA regarding concerns around disruptions in EBT benefit services (SNAP) at farmers market.

The letters referenced in the update were sent to board members as requested.

## **WRAP UP:**

### **Administrative Update:**

- A meeting with Professor Eddings to discuss a pilot project for new uses for coal will be held in Craig July 19<sup>th</sup> and he will do a presentation in Craig prior to that meeting as well as do a presentation in Steamboat the morning of the 20<sup>th</sup>.
- Chairman Beck, Bonnie Petersen and others met with CTO in Dinosaur on July 6, 2018, to discuss CTO's recommendations regarding the Dinosaur Welcome Center. The recommendation to the CTO board was that perhaps there is a better location for the DWC than Dinosaur; the DWC is funded for this year but there is no guarantee that will continue. Attendees at the meeting indicated that the DWC is important to the economy of that region and CTO Director, Cathy Ritter was asked to keep AGNC in the communication loop regarding any changes going forward. Bonnie spoke with Representative Rankin about the situation and he suggested that perhaps an additional appropriation for rural welcome centers would be in order. We will continue to monitor this situation.

### **New Business:**

*Next Meeting will be August 15, 2018, Fruita Community Center, 324 N. Coulson St., Fruita, CO 81521*

Meeting was adjourned at 1:25 pm.

### **Attendance:**

Betsy Bair, Senator Gardner's Ofc.

Si Woodruff, Rio Blanco County

Roger Granat, Town of Palisade

Andy Key, Town of Rangely

Dave Norman, AAoA

Ray Beck, Moffat County

Tiffany Pehl, AGNC

Bonnie Petersen, AGNC

Grady Hazelton, Town of New Castle

Mike Samson, Garfield County

Ken Kreie, Fruita Town Council

George Rossman, Cong. Tipton's Ofc.

JT Romatzke, CPW NW Regional Manager

Tim Redmond, Town of Hayden

Sheryl Bower, Garfield County Community Dev.

Dianna Orf, Orf and Orf

Katelin Cook, Rio Blanco Economic Development

Art Riddle, Town of New Castle

Lyndsey Brozyna, SBDC

Mary Metzger, Town of New Castle

David Reynolds, New Castle Town Administrator

Cliff Thompson, Consultant

## Attachment A

AGNC Report  
JULY 2018

Visitation for the first half of 2018 was up 25% totaling 11045 visitors.

These numbers are for only 4 months as the center is closed January and February. The total for June was 4369.

Surrounding counties are getting ready for their fairs. Meeker is hosting their annual OHV rendezvous.

The volunteer fam trip this year will be in the Denver region. I am currently working on setting up tours and attraction for the volunteers to experience. These trips are designed to help the volunteers to learn more about an area to better inform the visitors stopping in our center.

Fire bans are still in place across the state. Please check with your local areas for the latest updates.

We are always being complimented on our center's appearance and clean restrooms.

REMINDER: Please let me know of any events in your area.

Cheryl McDonald  
Colorado State Welcome Center, Dinosaur

## Attachment B



### **ASSOCIATED GOVERNMENTS OF NORTHWEST COLORADO (AGNC) LEGISLATIVE REPORT JULY 18, 2018**

#### **Interim Committees and Stakeholder Processes**

Alternatives to Gallagher Amendment Interim Study Committee. The committee met July 13 at the Capitol where committee members received the basics in property tax history from the Colorado Assessors' Foundation, JBC staff, and JoAnn Groff (State Property Tax Assessor). Most discussion focused on the interaction between the Gallagher Amendment, passed by the voters in 1983 when residential property taxes high and a tax revolt was underway, and the TABOR amendment adopted in 1992. In order to maintain the required ratio between residential property and non-residential property, the assessment ratio for residential continues to fall – from 21% in 1983 to 7.2% and projected to drop again to 6.1%. Because the assessment ratios are applied statewide, the skyrocketing value of homes on the Front Range drive down the assessment rate in order to maintain the required ratio with non-residential property. Because of TABOR the mill levies placed by individual taxing authorities cannot “float”, and once the mill levy drops for whatever reason, it cannot be increased without a vote of the citizens of that taxing district. While this is problematic for Front Range communities, it is disastrous for rural communities where housing values have not risen so rapidly, and non-residential property does not generate the same kind of revenues as in the urban area. Local governments such as counties and special district rely primarily on property taxes to provide necessary services such as fire and police protection, water and sewer, flood control, trash collection, and recreation. School districts are particularly hard hit, although the state backfills or makes up the difference in funding when local property tax revenues fall because of the Gallagher impact. In districts where citizens have voted to override the TABOR limit on mill levy and allow for higher taxes, the state does not backfill that amount. When the effect of Amendment 23, which requires increasing amounts to be spent on K-12 education is added to the mix the problem becomes particularly acute. Against this background, various taxing districts explained the particular impact on their ability to provide services.

Disparate impacts on non-residential properties were also discussed. While residential property is assessed on the basis of market, “all other” property is based on either an income, market, or cost basis.

Among potential solutions suggested to the committee:

- Decouple residential assessment ratio from the mill levy?
- Lower the residential assessment ratio from 7.2 – 7.1 for five years and state backfills loss of revenue to counties during the first year, then evaluate the outcome (essentially freezing rate)
- Determine the non-residential vs. residential assessment calculation (55-45) on a regional rather than statewide basis
- Adopt some other system which creates stability and predictability

It was generally believed that almost anything recommended would require a vote of the citizens and would require extensive taxpayer education.

The committee will meet in Glenwood Springs July 18. Meetings are scheduled at the Capitol on August 21 and October 3.

Sales/Use Tax Simplification Committee. The Sales and Use Tax Simplification Task Force was created in House Bill 17-1216 and is charged with studying the following policy issues:

- the necessary components of a simplified sales and use tax system for both state and local governments, including home rule municipalities and counties;
- opportunities and challenges within existing fiscal frameworks to adopt innovative revenue-neutral solutions that do not require constitutional amendments or voter approval;
- the feasibility of having a third-party entity responsible for state or local sales and use tax administration, return processing, and audits;
- the feasibility of making audits of retailers more uniform for all state and local taxing jurisdictions in the state;
- the feasibility of utilizing certified software for sales and use tax administration and collection of state and local sales and use tax; and
- the feasibility of utilizing a single sales and use tax return for state and local taxing jurisdictions.

The Chair announced early in the meeting that it is not her intent to move to a state-collected sales tax system.

The fifteen-member committee composed of four legislators and eleven tax professionals and local government representatives held its first meeting of the 2018 interim on July 12 with three major issues under discussion:

- 1) Status of the RFI to gather information regarding software systems that may be used to simplify sales tax collection systems and increase efficiency and ensure consistency
- 2) Progress on the standardization of definitions by CML
- 3) Impact of the Wayfair decision and implications for Colorado.

The RFI has been issued with four responses, which will be vetted by a review committee. Those on the review committee have signed non-disclosure agreements and information submitted will remain confidential (a fact that caused considerable discussion). When the review committee has completed its work, the full committee will determine what steps to take next regarding a potential RFP, funding for a software system, etc. Further steps will be governed by the Colorado Procurement Code. If a software system is purchased by the state, the question is “are taxing jurisdictions mandated to use it?” A mandate would require legislation (and could present a problem for home rule jurisdictions).

The Department of Revenue reported on changes made as a result of 2018 legislation concerning sales tax exemptions for machine tools (scrap metal), definitions realigned for medical device exemptions; marijuana sales, and manufactured home sales.

Thirty-seven cities (of 76) have adopted the standard definitions developed by the CML group. Consultation is being provided to assist jurisdiction adopting those definitions to ensure that they do not inadvertently expand their tax base and create TABOR issues.

The background of South Dakota v. Wayfair (decision announced June 21) was presented – that case involved a carefully constructed state statute that allowed the State of South Dakota to collect sales tax from an internet seller. The U.S. Supreme Court overturned two previous cases



(Bellas Hess, 1967 and Quill, 1992) that had both required that the seller have a physical presence in the state before tax could be collected. The Wayfair decision found that the state's threshold of \$100,000 in sales or 200 transactions was sufficient as a nexus because the "seller availed itself of the substantial privilege of carrying on a business in South Dakota." Legal counsel from the Office of Legislative Legal Services and representatives of the Streamlined Sales Tax Governing Board (a voluntary organization controlled by member states) both cautioned the committee that the Wayfair decision is not determinative of whether Colorado could impose a sales tax obligation on internet sales because of various protections for small sellers found in the South Dakota statute do not necessarily exist in Colorado. The complexity of Colorado's sales tax system could be seen as a burden on interstate commerce, making it difficult to move forward; it was emphasized that the issue is still subject to extensive analysis. TABOR raises another issue – if internet sales were to be taxed this could be a tax policy change requiring voter approval.

In closing the meeting, Chair Rep. Kraft-Tharp queried whether the Wayfair issue is relevant to the charge of the Task Force.

The committee will meet again July 26 (focusing on use tax); August 16, and Sept. 27.

Water Resources Review Committee. On June 19 the committee met to hear reports on a variety of topics – two of the most important being severance tax funding for DNR and TENORM rule development. The good news on severance tax is that there may be only \$60 million or so of outstanding potential liability for refunds stemming from the BP America decision. \$15 million was paid out last year along with refunds for routine overpayment. Although no good data is available, there is no evidence that suggests additional individual large refund claims will be made. As a result of the BP decision, however, oil/gas severance tax payers now have larger allowable deductions and will be paying lower taxes. The good news, according to Legislative Council economists, is that rising oil prices will stimulate investment in additional drilling causing revenues to rise. Total severance tax revenues to the state fund for FY 2017-18 are estimated at around \$100 million -- \$30 million more than earlier projections on which the budget was based. This news prompted the question: "Where will that additional money go?" The answer was that it could be used by the Colorado Water Conservation Board to make smaller loans (outside the annual Projects Bill) or could be held and added to the next year's budget. That caused some concern that the money might be spent "outside the legislature's control." (The legislature must approve each annual Projects bill.) Despite improving forecasts, the formula devised under HB 18-1338 will continue in place, with the General Fund paying \$17 million for Tier 1 (DNR operating programs) and recouping the expenditure from severance tax as it is collected. It was noted that May refunds and May collections were about equal. There will be no money to Tier 2 (grant programs) during the current fiscal year, although money may flow into the Tier 2 programs to partially fund them by 2020. HB 18-1338 does provide some funding for the Aquatic Nuisance Species program, and the Species Conservation program.

CDPHE Radiation Control Manager Jennifer Opila outlined the upcoming stakeholder process that will guide development of the TENORM disposal rules. These rules, which will regulate disposal of technologically enhanced naturally occurring radioactive materials such as oil/gas waste and water treatment residuals are authorized by SB 18-245. The first stakeholder meeting was held on July 11. The stakeholder meeting provided a tutorial on the basics of radiation physics explaining definitions, source of radiation, and mechanics of exposure. Topics for inclusion in future meetings are:

- Exempt levels
- Regulatory limits for landfill disposal
- Regulatory limits for beneficial reuse
- Regulatory limits for licensing
- Implementing limits and levels

Public comment is solicited for a 90-day period beginning August 1. The previously scheduled July 31 meeting has been cancelled; August 29 and Sept. 6 meetings are still tentative. CDPHE wants its consultant (yet to be hired) to be present at those meetings. Until rules are adopted (end of 2020), CDPHE will be operating under its 2007 Guidance Document and the November 2017 letters to disposal sites concerning oil/gas wastes. Disposal facilities in Colorado licensed to accept TENORM waste include Clean Harbors (Deer Trail), Pawnee Waste, and Waste Connections Southside Landfill (uranium only less than 339 pCi/g).

Discussions with our colleagues at CCI indicate that county landfills may not be impacted by the development of TENORM rules; however, we will continue to monitor the development of rules because of potential impacts on other local government interest such as drinking water treatment.

Potential Broadband legislation. On July 12, CCI hosted a broadband meeting to discuss with its membership three priorities for the summer. The first issue which dominated much of the discussion was working on language and feasibility of gaining access to existing easements for commercial purposes. In certain areas (in this example, Telluride) there are no backup data lines in case there is an outage, and that can leave regions dark for data connectivity. There are also currently many lines of existing unlit fiber running through utility poles (e.g. Tristate) that have already been installed and have already gone through the easement process. The group discussed options for how to open up those additional lines of dark fiber through negotiations of landowners. Primary difficulties are refusal of some landowners that see value in the existing easement, and while are unwilling to grant an extension of that easement, are in many cases willing to have new, duplication installation done. Other discussions of connectivity, such as E911 issues were raised as methods to force the easement. Legislative pushback from House leadership in previous years was discussed, as well as possible routes and tactics for moving some language forward in the coming year.

The dark fiber issue through existing utility lines has come up in other years, the line has been laid but there is "intrinsic value" to that line having commercial application. This easement issue is a sensitive one because while on one hand, can solve many of the service access issues for middle and final mile of infrastructure (the lines are already laid) there are issues regarding changing those easements through certain means and the raising of a takings issue.

This could be further complicated by the private property takings ballot initiative being run by Farm Bureau which relates to all private property. (Initiative #108)

Further topics were cleanup of SB18-002, and an additional bill concept to require "net-neutrality" for data providers across lines that were laid with public funds. The net neutrality issue has partisan implications but is primarily a fight between content providers versus service providers.

Interest on Ad valorem tax overpayment. We have made inquiries of the oil/gas community and the Assessors' Association; to date there has been no move to institute a stakeholder process to consider follow up legislation to HB 18-1387.

Utility/Community Voluntary Agreements. To date there has been no communication from Sen. Cooke concerning a stakeholder group to consider a follow up to HB 18-1428.

### **Ballot Initiatives**

Petition signatures for Initiative #93 were submitted to the Secretary of State's office on July 11. The measure calls for a graduated increase tax on personal income that exceeds \$150,000 and adds an additional 1.37% to corporate income tax bills to fund education. The measure creates the Quality Public Education Fund (fund) in the Colorado Constitution. Money in the fund is to be used to support and enhance the quality of preschool through twelfth grade (P-12) public education beginning in FY 2019-20. The fund will contain revenue from the proposed income tax increase. Money in the fund is exempt from the TABOR revenue limit and must be used to supplement General Fund appropriations for P-12 public education as of the measure's effective date, adjusted each year for inflation up to 5 percent. The petitions are currently under review to determine their legal sufficiency.

Proponents of Initiative #97 have until August 6 to submit signatures. That measure would amend statutes to require a 2500-foot setback to separate new oil and gas development facilities from occupied buildings and "vulnerable areas". Individual local governments could establish a greater set-back requirement. Occupied structures means any building intended for human occupancy, including homes, hospitals, and schools. Vulnerable areas include playgrounds, permanent sports fields, amphitheaters, public parks, public open space, public and community drinking water sources, irrigation canals, reservoirs, lakes, rivers, perennial or intermittent streams, and creeks. The state or a local government may designate additional vulnerable areas, which must then be considered for any setback site calculation. A study by the state's Oil and Gas Conservation Commission estimates that if adopted, the initiative would prohibit new oil/gas development on as much as 85% of private land in the State. Development on federal lands is not included in the measure.

The fiscal abstract, as amended by the Title Board, includes the following statement: "The measure is highly likely to decrease the amount of severance tax, royalty payments, and lease revenue that state and local government collects in the future, and the amount of state and local expenditures of that revenue."

Initiative 108 amends the constitution to prohibit the reduction in fair market value of private property by government law or regulation, or for public or private use, without just compensation. Its proponents are the Colorado Farm Bureau and others who are concerned that governmental action will limit the lawful use of private property to the detriment of the owners of that property. The petitions are being circulated and must be submitted by August 6.

### **Regulatory Actions**

The Air Quality Control Commission will propose rulemaking at its August meeting to begin the process of adopting low emission (California) vehicle standards. Bolstered by the Governor's recent Executive Order #D 2018-006, the Commission has discussed the topic sporadically for the past year and has received briefings on it since November. The action is seen as a pushback against EPA and the anticipated rollback of more stringent CAFÉ standards. The Executive Order can be seen at [https://www.colorado.gov/governor/sites/default/files/b\\_2018-006\\_maintaining\\_progress\\_on\\_clean\\_vehicles](https://www.colorado.gov/governor/sites/default/files/b_2018-006_maintaining_progress_on_clean_vehicles).