

Building Owners & Managers Association (BOMA) 2025 Colorado General Assembly End of Session

Overview

The Colorado first Regular Session of the 75th General Assembly concluded Sine Die, May 7th. The session was largely dominated by the State Budget crisis. The state faced a \$1.2 Billion shortfall largely driven by higher-than-expected Medicaid costs and a structural deficit. After months of preparation the legislature passed a balanced budget of almost \$44 Billion for the fiscal year FY25-26, starting July 1, 2025. The fiscal situation led to most legislation with a fiscal note (cost to the state) being defeated.

This session, the General Assembly welcomed 23 new members due to the 2024 Elections and vacancies. Eight members in the Senate and Fifteen in the House. Sen. Matt Ball (D) was selected to replace former Sen. Chris Hansen (D) within the first week of the Legislative Session, and Sen. Katie Wallace (D) was selected in March to replace former Sen. Sonya Jaquez Lewis (D) following her resignation. In the House, Rep. Jamie Jackson (D) was selected to replace now-Sen. Iman Jodeh (D), who filled the vacancy left by former Sen. Janet Buckner (D).

Key Issues at the State Legislature

Labor: Without funding for broad new programs, much of the focus during the 2025 session was on labor and employment issues. The legislature ran several bills in this area, but two were notable in particular.

SB 25-005 (Labor Peace Act) was passed by the legislature in the very last days of session. This bill would make changes to the long held Labor Peace Act by eliminating the second 75% vote election required for unions to unionize and bargain to deduct fees from paychecks of all workers. Governor Polis vetoed the bill, as anticipated, after Labor and Business representatives

failed to reach a compromise. In response to the anticipated veto of SB 5, two separate ballot issues are poised for the 2026 ballot. The first, brought by Labor, would require employers to cite "just cause" before firing employees. The second, championed by the Independence Institute and business groups, would make Colorado a "right to work" state.

<u>HB 25-1001</u> (Enforcement Wage Hour Laws) was actually an expansion of a "wage theft" bill from the 2024 session that was vetoed by the Governor. It was highlighted as the first bill introduced in the House and was sponsored by the House Majority Leader. As introduced, the bill changed the definition of employer as it related to liability for wage theft, and introduced several new penalties as rights of action for employees who believed they had been wronged.

Business coalitions attempted to negotiate a long list of fixes to the bill, but only a small handful of changes were made before final passage. The final version of the bill exempts minority owners from liability if they do not have any day-to-day control of the business and some caps were instituted on damages for emotional distress.

Construction Defects: The Legislature finally passes construction defects legislation, <u>HB</u> <u>25-1272</u>. The bill creates the Multifamily Construction Incentive Program to limit the grounds for which a construction defect can be claimed against participating builders. The program is voluntary, specifies additional criteria, including builder warranties and third party inspections. Under current law, an HOA board may initiate a construction defect action with a majority vote. This bill increases this threshold to 65%.

Building Decarbonization: HB 25-1269 makes updates to the States Building Performance Standards law passed in 2021 (HB 21-1286 and Regulation 28) and creates compliance flexibility for buildings through the creations of the Building Decarbonization Enterprise to support compliance. Additional positive changes were made to the program such as allowing for dual compliance with local governments with same or stricter standards, allowing buildings to choose their benchmark year from 2019 or 2021 and delaying compliance penalties until 2030 (instead of 2026).

Veto Override Attempt: Governor Polis vetoed <u>SB 25-086</u> - Regulated Social Media on April 24th. On a rare occasion, the CO Senate successfully voted to override the veto, 29-6, achieving the ²/₃ vote requirement. The House ultimately did not take the veto override up for a vote so the veto stands. SB86 would have required large social media companies to take down flagged social media accounts for selling guns, drugs, and engaging in other unlawful behaviors. Opponents argued that the bill violated first amendment rights and did not allow for due process rights of social media account users. Bill sponsors vow to bring the bill back in the

future. The last veto override attempts were in 2011 and 2007 under former Democratic Governors John Hickenlooper and Bill Ritter.

Bills of Interest to BOMA

Click here for the BOMA Bill Tracking 2025 link for a full list of bills

HB25-1269: Building Decarbonization Measures

Passed

Concerning Building Decarbonization Measures & in Connection Therewith, Creating a Building Decarbonization Enterprise

Sponsors: J. Wilford (D) | A. Valdez (D) / C. Kipp (D) | M. Ball (D)

This was the legislation that BOMA spent the majority of efforts on this session. BOMA led a coalition Energy Path Forward, after the identifying and reaching agreement with the Polis Administration and CO Energy Office to work together to make changes to the state Building Performance Standards Program.

As introduced, BOMA and the Energy Path Forward Coalition had concerns that required some intense negotiations and amendments. As passed, the bill provides compliance flexibility for buildings allowing buildings to choose either 2019 or 2021 for their benchmark data, allows for dual compliance with local BPS programs with similar or stricter standards and delays penalties until 2030 (from 2026). BOMA was successful in keeping the penalty fine structure similar to current law, to increase with inflation. Benchmarking/reporting penalties starting now (\$577-\$2,300). Performance standard penalties delayed until 2030 (\$2,300-\$5,800 per 30 days).

The bill also creates a Building Decarbonization Enterprise with an annual fee of \$400 per building per year, plus inflation, to fund the CO Energy Office Building Performance Program and assist buildings with technical assistance. BOMA was successful in securing seats on the enterprise. The bill also creates a task force to establish 2040 performance standards, giving buildings time to know what improvements they need to make. BOMA secured seats on the task force and secured amendments to require the task force to consider feasibility, capital planning cycles, economic impacts and must conduct a comprehensive economic analysis.

HB25-1095: Petitioner Requirements in Certain Property Tax Appeals

Failed

Concerning Petitioner Requirements in Certain Property Tax Appeals.

Sponsors: T. Story (D) | C. Clifford (D)

This bill would have made changes to the non-residential appeals process by requiring petitioners, or their agents, who bring protests to county assessors make valuations requests that comply with the uniform standards of professional appraisal practice. The bill also required full copies of all leases in place at the time of the valuation and any market data that the petitioner has relied on in requesting their appeal.

BOMA and several other organizations had concerns with this legislation, including the CO Assessors Association. BOMA and stakeholders met with the sponsors, Rep. Story and Rep. Clifford to voice concerns and offer amendments. After negotiations with sponsors were not successful, the bill was defeated in the House Finance Committee.

HB25-1235: Jury Trials for Tenant Proceedings

Failed

Concerning Jury Trials for Tenant Proceedings

Sponsors: J. Bacon (D) | W. Woodrow (D) / J. Gonzales (D) | M. Weissman (D)

This bill would afford a plaintiff and defendant the right to a trial by jury in forcible entry and eviction cases. Defendants who request a jury trial would have to follow current rules for civil cases or file a separate jury demand. The bill would have required the court to schedule a trial within ten days when the jury trial is requested.

BOMA joined an opposition coalition to ultimately defeat this legislation in the Senate Judiciary Committee after the bill passed the House by one vote, 33-32. This legislation is anticipated to be introduced again next session.

HB25-1262: Regulate Private Security Officers & Agencies

Failed

Concerning Regulating Private Security Officers and Agencies

Sponsors: J. Mabrey (D) /M. Weissman (D)

This bill would have created a state level regulation for private security officers and registration of private security employers through a newly created State Board of Private Security Services in the Department of Regulatory Agencies (DORA).

BOMA took an amend position on this legislation as the public policy committee wanted to work with sponsors and proponents to ensure that any new program would work with existing local regulations and be implementable for our members. This legislation failed. Sponsors and stakeholders plan to bring the legislation again next session and have agreed to work with BOMA over the interim.

Interim Committees

Colorado typically maintains a robust interim committee schedule, with a host of standing committees and several new committees each year holding multiple meetings over the summer and fall. However, due to this year's extreme budget shortfall, legislative leadership determined that several of the existing committees would go on a one year pause, and many of the committees that were continuing to meet would have their bill-drafting capacity curtailed.

The following committees will meet during the 2025 interim:

- Artificial Intelligence Impact Task Force
- Black Coloradan Racial Equity Study
- Capital Development Committee
- Colorado Commission on Uniform State Laws
- Colorado Youth Advisory Council and Review Committee
- Committee on Legal Services
- Executive Committee of the Legislative Council
- Joint Budget Committee
- Joint Technology Committee
- Legislative Audit Committee
- Legislative Council
- Legislative Oversight Committee Concerning the Treatment of Persons with Behavioral Health Disorders in the Criminal and Juvenile Justice Systems
- Statutory Review Committee
- Transportation Legislation Review Committee
- Water Resources and Agriculture Review Committee
- Wildfire Matters Review Committee

The following committees will not be meeting during the 2025 interim:

- Colorado Health Insurance Exchange Oversight Committee
- Legislative Emergency Preparedness, Response, and Recovery Committee
- Legislative Oversight Committee Concerning Colorado Jail Standards
- Legislative Oversight Committee Concerning Tax Policy and Tax Force
- Opioid and Other Substance Use Disorder Study Committee
- Pension Review Committee and Subcommittee
- Sales and Use Tax Simplification Task Force
- Statewide Healthcare Review Committee

Media: End of Session Coverage

Colorado Politics: Colorado legislative session recap | Denver-gazette | coloradopolitics.com

Colorado Sun: <u>Jared Polis vetoes Colorado labor movement's priority bill. Union leaders say they'll be back.</u>

Sum & Substance: <u>Big decisions on workers' comp and construction-lawsuits bills mark session's last day</u>

Colorado Newsline: Here are 5 key bills the Colorado Legislature passed this year

Denver 7: In the final hours of the 2025 legislative session, state lawmakers push to get bills across the finish line

Colorado Sun: 101 bills debated by the Colorado legislature in 2025 that you need to know about