

State Representative
TIMOTHY J. LEONARD
200 East Colfax Avenue, Room 307
Denver CO 80203
Capitol: 303-866-2582
tim.leonard.house@state.co.us



Member:
Education Committee
State, Veterans & Military Affairs
Committee

COLORADO
HOUSE OF REPRESENTATIVES
State Capitol
Denver
80203

15 May 2017

Letter to the Editor

RE: Response and Comments to the Passage of HB17-267 (Rural Sustainability)

Dear Editor,

A lot of to-do has been made over the “Great Compromise of the 2017 General Assembly” with the last-day passage of the Rural Sustainability Bill, HB17-267. Unfortunately, for the Colorado taxpayer, the effects will be long and more burdensome.

Good points? Sure. Like “finding” money within the States’ now \$28.3B budget to fund road and bridge construction to the tune of \$2.0B. It was good that the legislators did not follow the Governor’s lead to increase sales taxes by 21% but did the hard work of finding \$100M a year for the next 20 years from a budget that has grown by \$1.0B from last year and every year for the past 10 years.

And the tax credit for business personal property tax was raised from \$15,000 to \$18,000. Mind you, this was not an exemption (like two of my proposed bills offered), so these businesses still have to file and pay these taxes, but now they can file another form with the State to get some of their money back.

But Coloradans just watched their State government increase by \$600M in one bill. How? By pulling the Hospital Provider Fee out from under the State budget into an enterprise fund. Our Constitution states that when an existing business is made into an enterprise, the cap on the government’s revenue limit shall be decreased by the same amount.

But the bill only lowered the top cap by \$200M even though the fund receives \$800M in fees and federal matching funds. How did this happen? The bill authors just wrote the fairy tale that the enterprise was a “new” business – even though the income stream was the same one, collected from the same sources, it will perform the same services (reimbursing hospitals for their expanded Medicaid), and even transferred the same \$600M out of the State account into the “new” enterprise’s fund.

Not only did this bill violate the Constitution in this way, but it did it again by including over seven other unrelated issues (increasing marijuana taxes, funding schools, etc.) – violating Article 5, Section 21: *No bill, except general appropriation bills, shall be passed containing more than one subject, which shall be clearly expressed in its title; but if any subject shall be embraced in any act which shall not be expressed in the title, such act shall be void only as to so much thereof as shall not be so expressed.*

This is a mandate to prevent “log-rolling”: adding in so many items that every vote is a win/lose.

Now for the real kicker: All this was done in the despicable Washington-style political maneuvering we have come to hate:

First, the Governor set up The Play. He budgeted more than the \$1.3B additional revenue right from the start. Then the Joint Budget Committee played into it by trying to cut, cut, cut, and finally came up with the idea how to legally deny Colorado taxpayers their long-anticipated \$239M refund. By lowering the State TABOR revenue by foregoing just enough Hospital Provider Fee and its federal dollar match to just fit under the refund cap, the \$239M could now be spent by the government instead of the people!

Now The Squeeze: the new problem created by this maneuver was that the hospitals needed these funds to pay for the ever-increasing Medicaid recipients. (One in four Coloradans receives “free” Medicaid.) Oh boy, it looks like some of the small hospitals were now going to close because the Ponzi scheme was coming to an end.

And The Win: HB17-267 comes miraculously just in time – on the Friday four days before the end of session. The bill was a “strike-below” – completely re-written in 76 pages. (The average bill is 4-9 pages.) To get passed before session ended, no amendments could muck up the process. That meant when the bill went to it’s House committee, the public’s input was not welcome. Neither were the numerous amendments offered by House Representatives during “debate”. At 1am on Tuesday morning, debate was abruptly shut down. I would know, I was in the Well and was denied the right to offer an amendment.

Our rural legislators voted out of the fear that their hospitals were going to close. Instead of properly allocating some of the one billion dollars of new revenue, 74 of the 100 legislators voted to expand government, log-roll in an omnibus bill, and deny taxpayers their rightful refunds of too much revenue for years to come.

Washington-swamp politics at its best.

Sincerely,



Timothy J. Leonard
State Representative HD-25
R-Evergreen