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Welcome to VISIT DENVER's quarterly *Policy Perspectives* newsletter highlighting local, state and federal issues impacting the tourism and hospitality industry. If you have any questions or would like more information, please contact Carrie Atiyeh, Director of Government & Community Affairs, at [cativeh@visitdenver.com](mailto:cativeh@visitdenver.com) or (303) 571-9466.



MARCH 2016

## POLICY PERSPECTIVES

### LOCAL NEWS



- The city of Denver and the Downtown Denver Partnership released a study by consulting firm Gehl, which makes numerous [recommendations for improvements along the 16<sup>th</sup> Street Mall](#). Activation and programming along the Mall includes the third year of the Meet in the Street program, which will take place on five consecutive weekends this summer.
- Nearly [200 globe lights lining the 16<sup>th</sup> Street Mall will be replaced](#) with more efficient and effective replicas. The project is expected to be complete in September and the \$1.9 million project is funded by Tax Increment Financing (TIF) through the Denver Urban Renewal Authority (DURA).
- Denver City Council continues to make progress on implementing business licensing and lodger's tax collection regulations for short-term rentals (STRs) such as Airbnb and VRBO. The city has launched a [dedicated STR website](#) to keep the public informed and solicit feedback. Passage of a regulatory framework by City Council is anticipated in the first half of this year.
- Related, the [University of Denver](#) released a white paper regarding short-term rentals available in Denver through the online platform VRBO. The report highlights the size of the market and economic impacts of the short-term rental market.
- RTD's [A Line commuter rail](#) connecting Denver International Airport and Denver Union Station will begin service on April 22nd! VISIT DENVER is excited about this convenient new transportation option for convention and leisure visitors. The one-way

fare for the 37-minute ride will be \$9.00.

- The city has deployed a [mobile public restroom facility](#) in the Capitol Hill neighborhood as part of a pilot project to measure the effectiveness of such a service. The unit is open 12 hours a day, removed daily for cleaning, and staffed by an attendant.
- The Denver chapter of the National Organization for the Reform of Marijuana Laws (NORML) has taken the first steps to place a [marijuana consumption ballot initiative](#) on the November 2016 ballot. The proposal seeks to allow clubs for private consumption, which would not be allowed to serve alcohol or food.
- The 2016 National Western Stock Show recorded the [second largest attendance record](#) in its 110-year history. Visitor numbers are projected to further increase as the National Western Center is redeveloped.

## STATE NEWS



- Governor John Hickenlooper highlighted the [importance of the tourism industry](#) to the state's economy in his annual State of the State address earlier this year.
- Donna Lynne, executive president of the Kaiser Foundation, has been tapped by Governor Hickenlooper to serve as the [next lieutenant governor](#). Current Lt. Gov. Joe Garcia has announced he will be departing to lead the Western Interstate Commission for Higher Education.
- This year's [Discover Colorado Rally](#) to highlight the impacts of the tourism industry to the state's economy will take place on May 2<sup>nd</sup>.
- VISIT DENVER's Board of Directors recently voted to oppose Amendment 69, which will appear on this November's ballot. [Amendment 69](#) seeks to create a state-wide health insurance system. VISIT DENVER's Board opposes this measure for several reasons, including: it is a constitutional amendment, making any adjustments to the program difficult to implement; the state budget would approximately be doubled but total costs are unknown; the board had concerns about the ability to attract new business and grow the tourism industry in Denver and across the state; and, the board believed that solutions should be directed to those without health insurance coverage rather than implementing a new state-wide program for all residents. Learn more at the [proponents'](#) and [opponents'](#) campaigns.
- Sales of [recreational and medical marijuana](#) across Colorado totaled nearly \$1 billion in 2015, generating approximately \$135 million in taxes and fees.
- The U.S. Supreme Court announced that it will not hear a [lawsuit filed by Oklahoma and Nebraska](#) challenging Colorado's Amendment 64 that legalized marijuana sales.

## FEDERAL NEWS



- Transportation Secretary Anthony Foxx recently signed a bilateral civil aviation agreement in Havana, and President Barack Obama visited Cuba. While travel to the country has risen sharply since restrictions began to ease, it is still illegal for U.S. citizens to directly engage in tourism to Cuba. The industry is assessing [which airlines will ultimately fly](#) to Havana and what the new Cuba flight plans actually [mean for the travel community](#).
- As the National Park Service celebrates its centennial this year, Brand USA will be conducting an [18-state MegaFam tour](#) in May focused on the U.S. outdoors, especially national parks, and has launched the “National Parks Adventure” IMAX film across the country and around the world. In addition, the Department of Interior will be offering [free admission to any national park on 16 days](#) during the year.
- Roger Dow, president & CEO of U.S. Travel Association, offered a re-cap of 2015 travel highlights and look ahead to [travel opportunities and challenges](#) in 2016.
- The travel and tourism industry is experiencing a boost related to the [2016 presidential election](#).

## PARTNER PERSPECTIVES



### **I-70 Traction bill killed by Senate Transportation Committee**

Late last week, after over an hour and a half of testimony by over 25 organizations, municipalities and individuals testifying in support, the Senate Transportation Committee voted to postpone [HB-1039](#) indefinitely. The vote to postpone came after nobody testified in opposition and was party line with Senators Baumgardner (R-Steamboat Springs), Scott (R-Grand Junction) and Cook (R-Greeley) voting no and Senators Todd (D-Aurora) and Garcia

(D-Pueblo) voting yes.

CHLA is thankful to the support of the other stakeholders and the bill sponsors: Representative Diane Mitsch Bush (D-Steamboat Springs), Representative Bob Rankin (R-Aspen), Senator Nancy Todd (D-Aurora) and Senator Kerry Donovan (D-Vail) and we remain committed to working on this important issue.

### **Marijuana social clubs legislation to be introduced**

After months of working with stakeholders, including CHLA, Representative Jonathon Singer (D-Longmont) is expected to introduce his legislation to legalize marijuana social clubs in the coming days. The bill as drafted allows for municipalities to adopt an ordinance to license marijuana social clubs both within retail establishments and as stand-alone clubs - consumption of liquor in these clubs is prohibited.

### **DOL overtime rule expected as early as July!**

As you may have heard, the Federal Department of Labor (DOL) is taking steps earlier than expected to increase the minimum salary that must be paid to an employee to be exempt from overtime. The new rule will increase the minimum salary from the current level of \$23,660 to \$50,440 annually.

While we do not (and mostly likely will not) know what exactly is included in the final rule, we do know that the early release of the overtime rule is both tactical and strategic in nature. Importantly, in the short period of time since the comment period closed, we assume that there has not been sufficient time for the DOL to make changes to the primary duties test which is something AH&LA had advocated against. The compressed time frame indicates the Obama Administration's clear desire to have these changes final before the President's term is over. And strategically, from the Administration's perspective, the earlier implementation date effectively prohibits Congress from utilizing the Congressional Review Act to try to rescind or alter the rule once it is final.

CHLA is working with the American Hotel & Lodging Association (AH&LA) and the Partnership to Protect Workplace Opportunity (PPWO), on this issue. We do not yet know the exact date that DOL's proposed rules will become effective, or even the final wording for the rules. We will advise our members of the final effective date and final rules as soon as we get that information.

In the interim, employers should begin to make necessary changes to your overtime policies for overtime-exempt employees who will be affected by the anticipated increase in the base salary requirement.

Should you have questions or need further information on anything that CHLA is working on, please don't hesitate to contact Amie Mayhew, President & CEO, at 303-297-8335 or [amayhew@chla.com](mailto:amayhew@chla.com).



## **Stakeholder Groups**

We have successfully fought and killed a number of anti-business bills in the legislature this year including:

- Senate Bill 16-114 by Sen. Carroll and Sen. Ulibarri that would have required all businesses in Colorado to provide paid sick leave for all employees,
- Senate Bill 16-33 by Senator Ulibarri that would have required any retail food establishment that does not offer 5 days of paid leave to their employees to post a sign on their front door saying “PUBLIC HEALTH NOTICE: This establishment does not provide employees enough paid time off when they are sick to satisfy state standards. As a result, you may be at an increased risk of exposure to communicable illnesses,” and
- Senate Bill 16-054 by Sen. Merrifield that would have eliminated the 1999 law that preempted local governments from setting their own minimum wage laws higher than the state’s minimum wage. \_

## **Powdered Alcohol**

The Dept. of Revenue, Liquor Enforcement Division agreed to put the powdered alcohol regulations on hold for a year so that we can attempt to find a legislative solution to this issue. CRA is still working to try and get legislation introduced this year to ban powdered alcohol.

## **Retail Food Establishment License Program**

The working group hosted by the Colorado Department of Public Health and Environment (CDPHE) that was created as a result of House Bill 15-1226 concerning Retail Food Establishment License Fees has completed its work and stakeholders have agreed to draft bill language. The bill will address retail industry concerns related to the retail food inspection program including: uniform training, oversimplified communication of health inspections to the public (won’t allow letter grading or similar system), faster plan review and uniformity of the inspection program. CDPHE, Colorado Counties Inc., and the Colorado Association of Local Public Health Officials (CALPHO) are asking for a 50% increase to the retail food establishment licensing fees (conditional and over a three-year period), along with streamlined fee categories. We are currently finalizing the formal bill language and expect this to be introduced soon.

## **November Ballot Initiatives**

The CRA, along with other business groups is watching a potential ballot issue to amend the constitution to increase minimum wage to \$12/hour by 2020. We will likely oppose this

amendment.

Our board will also be considering Amendment 69 at our May board meeting, which would create a single-payer healthcare system in Colorado, double the state's budget, and increase taxes for all Coloradoans and Colorado businesses with no TABOR restrictions. It is likely that they will oppose this amendment.

Please contact Nick Hoover, Government Affairs Coordinator or Sonia Riggs, President & CEO, at 303-830-2972, should you have questions or need further information on anything that CRA is working on.



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