

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0331.01 Jed Franklin x5484

SENATE BILL 26-052

SENATE SPONSORSHIP

Roberts and Catlin,

HOUSE SPONSORSHIP

Lukens and Mauro,

Senate Committees
Agriculture & Natural Resources

House Committees

A BILL FOR AN ACT

101 **CONCERNING COAL TRANSITION COMMUNITIES, AND, IN CONNECTION**
102 **THEREWITH, PROVIDING A HIRING PREFERENCE FOR COAL**
103 **TRANSITION WORKERS IN COAL TRANSITION COMMUNITIES AND**
104 **EXPANDING THE ALLOWABLE WAYS IN WHICH A PUBLIC ENTITY**
105 **MAY DEPOSIT OR INVEST JUST TRANSITION MONEY.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

The bill establishes a first and preferred opportunity for available employment for coal transition workers (hiring preference). A business entity located in a coal transition community that is engaged in the business of constructing or operating railroads, utilities, energy generation facilities, or advanced manufacturing facilities (covered business) is required to comply with the hiring preference. A covered business does not include the state government or a local government.

A covered business is required to make good faith efforts to provide a hiring preference to a coal transition worker who meets the minimum qualifications for an employment position (qualified coal transition worker). A covered business may hire an individual who is not a qualified coal transition worker only if either a qualified coal transition worker did not apply for employment with the covered business or each qualified coal transition worker declined a job offer from a covered business.

A covered business is required to report annually to the executive director of the department of labor and employment or their designee (executive director). The executive director is required to adopt policies and procedures to implement the bill.

Currently, a public entity is not allowed to invest public funds in certain types of investments, such as equity instruments, instruments convertible to equity, or equity interests, or to deposit public funds with any person except certain depository institutions, which are primarily banks. The bill authorizes a public entity to deposit or invest, either directly or through an investment firm or other third party authorized by the public entity, public funds from a payment or settlement that the public entity has received to offset the socioeconomic impacts to a community or government from the closure of a coal mine or coal power generating station in any investment permitted by an investment policy approved by the public entity.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Coal transition workers have powered the state for decades,
5 and the loss of coal-related employment has profound economic and
6 personal impacts on workers, their families, and the communities that
7 depend on them. These impacts are concentrated in specific regions of the
8 state and result directly from the planned and regulated decline of

1 coal-fueled generation and extraction.

2 (b) Coal transition workers possess specialized, high-value skills
3 that are directly transferable and critical to the state's transportation,
4 infrastructure, clean-energy, manufacturing, and industrial future,
5 including skills developed through years of work in highly regulated,
6 safety-sensitive, and technical environments;

7 (c) As coal facilities wind down and close pursuant to state policy,
8 regulatory approvals, and statutory clean-energy requirements, the state
9 has a legitimate and compelling interest in mitigating the foreseeable
10 economic harm to workers and communities that results from those
11 state-directed actions;

12 (d) Displaced coal transition workers should have clear, reliable,
13 and timely pathways into new careers of equal quality, including
14 comparable wages, benefits, and job security, within or near the
15 communities in which they live;

16 (e) The state's clean-energy economy already employs nearly
17 70,000 workers, which is more than twice as many as the fossil-fuel
18 sector, and state and regional climate workforce analyses identify
19 significant shortages across at least twenty climate-critical occupations,
20 requiring thousands of additional skilled workers, including electricians,
21 construction laborers and managers, HVAC and building technicians,
22 wind and solar technicians, power-line workers, electric-vehicle
23 technicians, and other skilled trades, to meet the state's statutory climate
24 goals, including the goal of net-zero greenhouse gas emissions by 2050;

25 (f) The state is simultaneously experiencing a substantial shortage
26 of construction workers, with construction trades projected to grow
27 significantly through 2030 and employers needing to fill tens of

1 thousands of high-demand positions. These workforce gaps make it
2 imperative that just-transition policy deliberately and efficiently align
3 displaced coal transition workers with existing and projected labor needs
4 in clean energy, construction, transportation, and related sectors.

5 (g) Economic development, transportation, energy, and
6 infrastructure projects in coal transition communities must prioritize
7 reemployment opportunities for qualified coal transition workers so that
8 the economic transition does not come at the expense of the individuals
9 and communities that built and sustained these regions; and

10 (h) A targeted, qualification-based, and narrowly tailored hiring
11 preference, implemented through good faith efforts and tied to state
12 interests in economic recovery and workforce development, is a lawful
13 and necessary tool to ensure that coal transition workers directly benefit
14 from ongoing and future development in their communities and are not
15 left behind.

16 **SECTION 2.** In Colorado Revised Statutes, **add 8-83-507** as
17 follows:

18 **8-83-507. Hiring preference - coal transition workers -**
19 **definitions.**

20 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
21 REQUIRES:

22 (a) "COVERED BUSINESS" MEANS A BUSINESS ENTITY OPERATING
23 IN A COAL TRANSITION COMMUNITY THAT IS ENGAGED IN THE BUSINESS OF
24 CONSTRUCTING OR OPERATING RAILROADS, UTILITIES, ENERGY
25 GENERATION FACILITIES, OR ADVANCED MANUFACTURING FACILITIES. A
26 "COVERED BUSINESS" DOES NOT INCLUDE THE STATE GOVERNMENT OR A
27 LOCAL GOVERNMENT.

3 (c) "QUALIFIED COAL TRANSITION WORKER" MEANS A COAL
4 TRANSITION WORKER WHO MEETS THE MINIMUM QUALIFICATIONS FOR AN
5 EMPLOYMENT POSITION WITH A COVERED BUSINESS.

6 (2) (a) ON AND AFTER JANUARY 1, 2027, A COVERED BUSINESS
7 SHALL PROVIDE A HIRING PREFERENCE FOR A QUALIFIED COAL TRANSITION
8 WORKER TO A PROSPECTIVE NEW EMPLOYEE.

11 (I) A QUALIFIED COAL TRANSITION WORKER DID NOT APPLY TO BE
12 EMPLOYED BY A COVERED BUSINESS; OR

16 (3) A COVERED BUSINESS SHALL CONSULT WITH THE JUST
17 TRANSITION OFFICE, OPERATORS OF EXISTING COAL-FUELED GENERATION
18 FACILITIES SCHEDULED FOR RETIREMENT, AND ORGANIZATIONS
19 REPRESENTING QUALIFIED COAL TRANSITION WORKERS TO IDENTIFY
20 QUALIFIED COAL TRANSITION WORKERS.

24 (a) THE TITLE OF ANY POSITION FILLED BY A QUALIFIED COAL
25 TRANSITION WORKER:

26 (b) THE NUMBER OF QUALIFIED COAL TRANSITION WORKERS WHO
27 FILLED POSITIONS AT THE COVERED BUSINESS:

4 (d) EFFORTS UNDERTAKEN BY THE COVERED BUSINESS TO RECRUIT
5 QUALIFIED COAL TRANSITION WORKERS.

6 (5) A COVERED BUSINESS SHALL MAKE GOOD FAITH EFFORTS TO
7 COMPLY WITH THIS SECTION.

8 (6) THE EXECUTIVE DIRECTOR OR THEIR DESIGNEE SHALL DEVELOP
9 POLICIES AND PROCEDURES FOR THE IMPLEMENTATION OF THIS SECTION.

10 **SECTION 3.** In Colorado Revised Statutes, 24-75-601.1, amend
11 (5) as follows:

24-75-601.1. Legal investments of public funds - definition.

13 (5) Nothing in this section applies to public funds held or invested
14 as part of any payment or settlement to offset the socioeconomic impacts
15 to a community or government from the closure of a coal mine or coal
16 power generating station. NOTWITHSTANDING ANY LAW TO THE
17 CONTRARY, IN ADDITION TO ANY OTHER DEPOSIT OR INVESTMENT OF
18 PUBLIC FUNDS ALLOWED BY LAW, A PUBLIC ENTITY IS AUTHORIZED TO
19 DEPOSIT OR INVEST, EITHER DIRECTLY OR THROUGH AN INVESTMENT FIRM
20 OR OTHER THIRD PARTY AUTHORIZED BY THE PUBLIC ENTITY, ANY
21 PAYMENT OR SETTLEMENT FUNDS THAT THE PUBLIC ENTITY HAS RECEIVED
22 TO OFFSET THE SOCIOECONOMIC IMPACTS TO A COMMUNITY OR
23 GOVERNMENT FROM THE CLOSURE OF A COAL MINE OR COAL POWER
24 GENERATING STATION AND THE INTEREST, INVESTMENT INCOME, OR GAIN
25 EARNED THEREON IN ANY INVESTMENT PERMITTED UNDER AN INVESTMENT
26 POLICY ADOPTED BY THE PUBLIC ENTITY. FOR PURPOSES OF THIS
27 SUBSECTION (5), UNLESS THE CONTEXT OTHERWISE REQUIRES,

1 "INVESTMENT FIRM" MEANS A BANK, BROKERAGE FIRM, OR OTHER
2 FINANCIAL SERVICES FIRM CONDUCTING BUSINESS IN THE STATE, OR ANY
3 AGENT THEREOF.

4 **SECTION 4. Safety clause.** The general assembly finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, or safety or for appropriations for
7 the support and maintenance of the departments of the state and state
8 institutions.