

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

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) "COAL TRANSITION COMMUNITY" MEANS A COLORADO
23 MUNICIPALITY, COUNTY, OR REGION WHERE A COAL TRANSITION FACILITY
24 OR A CENTER FOR THE MANUFACTURING OR TRANSPORTATION SUPPLY
25 CHAIN OF A COAL TRANSITION FACILITY WAS OR IS LOCATED.

26 (b) "COAL TRANSITION WORKER" MEANS A COLORADO RESIDENT
27 WHO WORKS OR WORKED IN A COAL TRANSITION FACILITY OR IN THE

1 MANUFACTURING OR TRANSPORTATION SUPPLY CHAIN OF A COAL
2 TRANSITION FACILITY.

3 (c) "COVERED BUSINESS" MEANS A BUSINESS ENTITY OPERATING
4 IN A COAL TRANSITION COMMUNITY THAT IS ENGAGED IN THE BUSINESS OF
5 CONSTRUCTING OR OPERATING RAILROADS, UTILITIES, ENERGY
6 GENERATION FACILITIES, OR ADVANCED MANUFACTURING FACILITIES. A
7 "COVERED BUSINESS" DOES NOT INCLUDE THE STATE GOVERNMENT OR A
8 LOCAL GOVERNMENT.

9 (d) "HIRING PREFERENCE" MEANS A FIRST AND PREFERRED
10 OPPORTUNITY FOR AVAILABLE EMPLOYMENT.

11 (e) "QUALIFIED COAL TRANSITION WORKER" MEANS A COAL
12 TRANSITION WORKER WHO MEETS THE QUALIFICATIONS FOR AN
13 EMPLOYMENT POSITION WITH A COVERED BUSINESS.

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

17 (b) A COVERED BUSINESS MAY HIRE AN INDIVIDUAL WHO IS NOT A
18 QUALIFIED COAL TRANSITION WORKER ONLY IF:

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

21 (II) EACH QUALIFIED COAL TRANSITION WORKER TO WHOM THE
22 COVERED BUSINESS EXTENDS AN OFFER OF EMPLOYMENT DECLINES THE
23 OFFER.

24 (3) A COVERED BUSINESS SHALL CONSULT WITH THE JUST
25 TRANSITION OFFICE, OPERATORS OF EXISTING COAL-FUELED GENERATION
26 FACILITIES SCHEDULED FOR RETIREMENT, AND ORGANIZATIONS
27 REPRESENTING QUALIFIED COAL TRANSITION WORKERS TO IDENTIFY

1 QUALIFIED COAL TRANSITION WORKERS.

2 (4) IF A QUALIFIED COAL TRANSITION WORKER APPLIES FOR
3 EMPLOYMENT WITH A COVERED BUSINESS, THEN A COVERED BUSINESS
4 SHALL REPORT ANNUALLY TO THE JUST TRANSITION OFFICE THE
5 FOLLOWING INFORMATION REGARDING THE PRIOR YEAR:

6 (a) THE TITLE OF ANY POSITION FILLED BY A QUALIFIED COAL
7 TRANSITION WORKER;

8 (b) THE NUMBER OF QUALIFIED COAL TRANSITION WORKERS WHO
9 FILLED POSITIONS AT THE COVERED BUSINESS;

10 (c) THE NUMBER OF INDIVIDUALS WHO ARE NOT QUALIFIED COAL
11 TRANSITION WORKERS WHO FILLED POSITIONS AT THE COVERED BUSINESS;
12 AND

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

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

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

19 (7) A HIRING PREFERENCE DOES NOT APPLY IF A COVERED
20 BUSINESS PLACES AN EXISTING EMPLOYEE IN ANOTHER EMPLOYMENT
21 POSITION WITH THE COVERED BUSINESS OR TO THE EXTENT THAT A HIRING
22 PREFERENCE CONFLICTS WITH THE TERMS OF A COLLECTIVE BARGAINING
23 AGREEMENT THAT APPLIES TO THE RELATIONSHIP BETWEEN A COVERED
24 BUSINESS AND ITS EMPLOYEES.

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

27 **24-75-601.1. Legal investments of public funds - definition.**

19 **SECTION 4. Safety clause.** The general assembly finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, or safety or for appropriations for
22 the support and maintenance of the departments of the state and state
23 institutions.