

Inflation has hit record highs; Brittany Pettersen voted to increase the costs of things like gas and groceries.

**Coloradans have been hit with record inflation and more than half of Colorado business owners believe that the United States will be hit with a recession next year:**

- **The consumer price index increased by 8.5% over a one-year period ending in March 2022 - the sharpest hike since 1981.** “Headline CPI in March rose by 8.5% from a year ago, the fastest annual gain since December 1981 and one-tenth of a percentage point above the estimate.” (Jeff Cox, “Consumer prices rose 8.5% in March, slightly hotter than expected and the highest since 1981,” [CNBC](#), 4/12/22)
- **Annualized inflation rose by 8.6% in May 2022 – a 40-year record.** “The consumer price index rose 8.6% in May from a year ago, the highest increase since December 1981. Core inflation excluding food and energy rose 6%. Both were higher than expected.” (Jeff Cox, “Inflation rose 8.6% in May, highest since 1981,” [CNBC](#), 6/10/22)
- **Year over year, consumer prices rose by 9.1% in the month of June – the highest increase since 1981.** “According to a report from the U.S. Bureau of Labor Statistics, consumer prices rose 9.1% last month in a year-over-year comparison. That's the highest rate since 1981.” (Luis de Leon, “Colorado grocery stores adjust to rising inflation,” [9News](#), 7/13/22)
- **Grocery prices have increased by 12% nationally and for some stores in Colorado its between 10% and 30%.** “According to a report from the U.S. Bureau of Labor Statistics, consumer prices rose 9.1% last month in a year-over-year comparison. That's the highest rate since 1981. The "food at home" index, which indicates prices of groceries, also went up 12.2% compared to a year ago, which is its biggest climb since 1979. ‘It’s hard and fast and we’re trying to do our best with our prices,’ said fellow Heinie's Market manager Kole Silz. For the store, Sanchez explained that they believe much of the prices for their supply is up anywhere between 10 and 30 percent.” (Luis de Leon, “Colorado grocery stores adjust to rising inflation,” [9News](#), 7/13/22)
- **According to a University of Colorado survey, Colorado business owners are “feeling pessimistic” and “more than half” believe that the United States will see a recession next year.** “Colorado business leaders are feeling pessimistic, with more than half of those surveyed for the latest Leeds Business Confidence index anticipating a recession next year. Nearly a quarter of those surveyed said a recession has already started, according to the quarterly report from the University of Colorado’s Leeds School of Business.” (Sarah Mullholand, “Colorado businesses are pessimistic over inflation, and many of them see a recession coming,” [Colorado Public Radio](#), 6/29/22)

**In 2020, Brittany Pettersen voted for HB20-1343, which mandated that all egg-laying hens be cage-free by January 1, 2025:**

- **In 2020, Pettersen voted for HB20-1343.** (Colorado General Assembly, HB20-1343, Third Reading: Passed 19-16, [Pettersen Voted Aye](#), 6/10/20)
- **HB20-1343 requires hens to be confined in an enclosure with at least one square foot of usable floor space per hen by January 1, 2023 and enclosed in a cage-free housing system**

that meets other defined criteria by January 1, 2025. “The act requires a farm owner or operator to confine chicken, turkey, duck, goose, or guinea fowl hens (hens) in accordance with the standards established in the act. On and after January 1, 2023, the act also prohibits a business owner or operator from selling shell eggs or egg products that are produced by egg-laying hens that were confined in a manner that conflicts with these standards. In connection with this prohibition, the act: Requires, by January 1, 2023, hens to be confined in an enclosure with at least one square foot of usable floor space per hen; Requires, by January 1, 2025, hens to be confined in a cage-free housing system with at least: One square foot of usable floor space per hen if the hens have unfettered access to vertical space; or 1.5 square feet of usable floor space per hen if the hens do not have unfettered access to vertical space; Deems a sale to have occurred at the location where the buyer takes physical possession of the shell egg or egg product; Allows a business to rely upon written certification that the shell egg or egg product did not come from hens that were confined in a manner that conflicts with the act; Authorizes the commissioner of agriculture to impose a civil penalty of up to \$1,000 per violation; Requires the commissioner to promulgate rules to implement and enforce the act; and Authorizes the commissioner to use a government or private inspection process. The act requires shell eggs and egg products to be annually certified as complying with the standards. Certification requires an inspection.” (Colorado General Assembly, “HB20-1343,” [Bill Summary](#), Accessed 7/12/22)

*Editor’s Note:* HB20-1343 was [signed](#) into law on July 1, 2020.

**The Colorado Farm Bureau opposed HB20-1343 and the legislation was criticized by egg producers, who estimate that it will cost them approximately \$30 per hen to achieve the cage-free housing deadline, totaling approximately \$165 million statewide:**

- **The Colorado Farm Bureau opposed HB20-1343.** (Colorado Farm Bureau, “2020 Policy Timeline & Highlights,” [Report](#), Accessed 5/3/21)

HB20-1343: Egg-laying Hen Confinement Standards
Position: OPPOSED Outcome: PASSED on 6/10
SB20-189: Local Government Pesticide No Preemption
Position: MONITOR Outcome: FAILED
SB20-197: Aligning State and Federal Law on Hemp
Position: SUPPORT Outcome: FAILED

(Colorado Farm Bureau, “2020 Policy Timeline & Highlights,” [Report](#), Accessed 5/3/21)

- **The bill has been criticized by egg producers, who estimate that it will cost them approximately about \$30 per bird, totaling approximately \$165 million by 2025 for the roughly 5.5 million hens in Colorado.** “About 5.5 million hens, mainly from four major egg producers in the state and mostly in Weld County, live in this conventional, caged housing. But not for much longer. Colorado egg producers were just handed a deadline by the state legislature to convert all hen housing to cage-free by 2025. Egg producers estimate it will cost them about \$30 per bird, totaling about \$165 million for the industry in Colorado.” (Jennifer Brown, “All Colorado eggs must be cage-free by 2025 under law passed to head off stricter ballot measure,” [The Colorado Sun](#), 7/1/20)
- **According to Jerry Wilkins of Morning Fresh Farms in Platteville, CO, the cost of converting to cage-free housing is “immense” and he claimed that “each producer is going to take a huge hit to make this conversion.”** “The cost of converting is immense. It’s

extraordinary,” said Jerry Wilkins, sales and marketing director at Morning Fresh Farms in Platteville, which estimated it will spend \$24 million to put its 800,000 caged hens into cage-free housing. “Each producer is going to take a huge hit to make this conversion.” (Jennifer Brown, “All Colorado eggs must be cage-free by 2025 under law passed to head off stricter ballot measure,” [The Colorado Sun](#), 7/1/20)

- **Wilkins further predicted that the ability of egg producers to bear the cost of renovations depends on the egg market over the next few years, which reached an unprecedented \$3 per dozen during the pandemic but have since leveled out at just above \$1.** “Whether producers can withstand it ‘depends on what the egg market does over the next few years,’ Wilkins said. Wholesale egg prices were an unprecedented \$3 per dozen during the pandemic panic-buying spree, and stayed high through the Easter season. Now they’ve evened out at just above \$1.” (Jennifer Brown, “All Colorado eggs must be cage-free by 2025 under law passed to head off stricter ballot measure,” [The Colorado Sun](#), 7/1/20)

**In June 2021, Brittany Pettersen voted to increase gas fees by 2 cents per gallon and then delayed its implementation until after the election:**

- **On June 2, 2021, Pettersen voted for SB21-260.** (Colorado General Assembly, SB21-260, Repass: Passed 20-15, [Pettersen Voted Yea](#), 6/2/21)
- **SB21-260 transferred more than \$379 million of COVID-19 recovery money to help partially fund a transportation bill that included a series of new fees on gasoline and diesel fuel, retail deliveries, and rideshare trips.** “Concerning the sustainability of the transportation system in Colorado, and, in connection therewith, creating new sources of dedicated funding and new state enterprises to preserve, improve, and expand existing transportation infrastructure, develop the modernized infrastructure needed to support the widespread adoption of electric motor vehicles, and mitigate environmental and health impacts of transportation system use; expanding authority for regional transportation improvements; and making an appropriation... Section 35 imposes road usage fees on gasoline and diesel purchases that are phased in from state FYs 2022-23 through 2031-32 and thereafter indexed to NHCCI inflation, with the road usage fees also being adjusted beginning in state FY 2032-33 in a manner calculated to generate the same amount of additional revenue as would be generated by indexing the existing state excise taxes imposed on gasoline and diesel to construction cost inflation. The fee revenue is credited to the HUTF for allocation to the state, counties, and municipalities.” (Colorado General Assembly, “SB21-260,” [Bill Summary](#), accessed 8/16/22)
  - **Fees under the measure begin in 2022 and include: 2 cents per gallon on gasoline and diesel fuel starting in July 2022 that increases 1 cent every year up to 8 cents; 27 cents on deliveries, including those from Amazon, FedEx and Grubhub; 30 cents on Uber and Lyft rides starting in 2022 that would increase based on the federal Consumer Price Index.** The fee would be cut in half for people carpooling in a rideshare, or riding in an electric vehicle... The transportation bill includes a \$380 million infusion from the American Rescue Plan, the latest coronavirus aid measure passed by Congress. That’s part of \$1.6 billion in funding from existing revenue streams. The rest of the money will come from the new fees. Among the

funding priorities for transportation officials under the measure? A reworking of the I-70 interchange with U.S. 6 at Floyd Hill, where Polis signed Senate Bill 260.” (Jesse Paul, “Here come the gas and delivery fees as Colorado’s governor signs \$5 billion-plus transportation bill into law,” [The Colorado Sun](#), 6/17/21)

*Editor’s Note:* In June 2021, annualized [inflation](#) was 5.4% - the highest rate in 13 years.

- **Now, as gas prices continue to spike in an election year, Pettersen and the Democrats in the state legislature are trying to delay implementation of the new gas and diesel fees until after the 2022 election.** “Colorado Democrats want to delay implementation of a new 2-cent-per-gallon gas fee, but only until two months after the November election. House Bill 1351, the cornerstone of Gov. Jared Polis’ work this year to slash the cost of living in Colorado, would cost \$28 million as the Legislature backfills the lost revenue. The measure also calls for reducing the state’s vehicle registration surcharge fee at a cost of \$35 million... The new gas fee, which is slated to begin July 1, was enacted through Senate Bill 260, a major transportation funding bill passed by the Legislature in 2020 and signed into law by Polis. The measure will raise billions of dollars for transportation projects and also enact fees on deliveries and Uber and Lyft rides... House Bill 1351, which is also sponsored by Democratic Sen. Brittany Pettersen of Lakewood and Rep. Barbara McLachlan of Durango, was introduced March 31 without fanfare.” (Jesse Paul, “Democrats new plan to suspend Colorado’s new gas fee - until two months after the November election,” [The Durango Herald](#), 4/13/22)
  - **Brittany Pettersen was a prime sponsor on HB22-1351 and voted for it on May 2<sup>nd</sup>.** (Colorado General Assembly, [HB22-135](#), Third Reading: Passed 23-12, [Pettersen Voted Yea](#), 5/2/22)

*Editor’s Note:* The [average price](#) for a gallon of gas in Colorado was \$4.29 on May 2, 2022 – it was \$3.27 a year earlier. Gas and diesel prices reached their [record highs](#) in Colorado on June 21, 2022, at \$4.92 and \$5.53 respectively.

### **SB21-260’s delivery fees went into effect on July 1, 2022, and apply to deliveries containing “household items:”**

- **According to Amazon, the \$0.27 delivery fee went into effect for all deliveries including at least one taxable item on July 1, 2022.** “Effective July 1, 2022, Colorado imposes a retail delivery fee of \$0.27 on all deliveries by motor vehicle to a location in Colorado with at least one item of tangible personal property subject to state sales or use tax... If every item in a retail sale is exempt from sales tax, the delivery is also exempt from the retail delivery fee. However, if one or more items in the transaction is subject to sales tax, the retail delivery fee is due.” (“Colorado Retail Delivery Fee,” [Amazon](#), Accessed 8/19/22)
- **Taxable items in Colorado include “household supplies” and groceries such as soap and over the counter medicine.** “These items are sales taxable: 1. Nonfood items such as soaps, paper products and household supplies, grooming items and cosmetics, and food not for human consumption, such as pet and bird food... Food to be eaten in the store, hot foods ready to eat and food marketed to be heated in the store. 5. Food preservation equipment and items. 6. Vitamins, dietary supplements, and medicines. (Prescription drugs are

exempt under [Reg. 39-26-717.1] 7. Ice used for refrigeration.” (“Taxable and Tax Exempt Sales of Food and Related Items,” [Colorado Department of Revenue](#), Accessed 8/19/22)

**In June 2022, Americans spent \$2.5 billion on grocery delivery:**

- **Nationwide, \$2.5 billion was spent on grocery deliveries during June 2022.** “In June 2022, Americans spent \$2.5 billion on grocery delivery – down 26% from 2020. For comparison, they spent \$3.4 billion on grocery pickup, which saw demand drop 10.5% from its pandemic highs.” (Dee-Ann Durbin, “Demand for grocery delivery cools as food costs rise,” [Colorado Sentinel](#), 8/8/22)