



Legislative Council Staff

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Final Fiscal Note

Drafting Number:	LLS 21-0281	Date:	July 28, 2021
Prime Sponsors:	Rep. Valdez A.; Van Winkle Sen. Hansen; Priola	Bill Status:	Signed into Law
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Bill Topic: **LIMIT FEE INSTALL ACTIVE SOLAR ENERGY SYSTEM**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill limits the fees assessed to install solar energy systems on residential or commercial property. It may increase workload for state agencies and reduce revenue to local governments.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

Current law imposes limitations on the permit, application review, or any other related or associated fees to install solar systems. The bill clarifies that these fee limitations apply to the aggregate of all charges assessed by state, county, or municipal governments for residential and non-residential permits to install active solar energy systems.

State, county, and municipal governments may not impose aggregate permitting fees that are in excess of \$500 for residential installations or \$1,000 for non-residential installations. In the case of nonresidential permit applications and on an individual basis only, if a government body incurs costs greater than \$1,000 in issuing the permit, the government body is authorized to recover its actual costs by submitting in writing to the applicant proof of the actual costs incurred.

The bill restricts a government body from increasing its fees or other charges by more than 5 percent annually until the \$500 fee limit is achieved. The bill also extends the repeal date of the fee limitations to December 31, 2029.

State Expenditures

The State Electrical Board within the Department of Regulatory Agencies issues state permits for solar system installations. The State Electrical Board is already accounting for the aggregate fee limits (including associated electrical permits) in their permit fees, and have not increased those fees in recent years. Therefore, extending the fee cap and limiting fee increases for residential solar installations will not impact their current fee structure or state revenue.

The Division of Professions and Occupations within the Department of Regulatory Agencies may be required to conduct outreach and education, or minor rulemaking, in response to these fee limitations, but the workload is negligible and can be accommodated with existing resources.

Local Government

Limiting the aggregate fees assessed by counties and municipalities on active solar energy systems may reduce local government revenue. To the extent that the aggregate fee limits are insufficient to cover a local government's actual costs of issuing permits, local general fund or other fund sources may be required to subsidize the full cost of this work. Impacts will vary by local government and depends on current fee structures, solar installation activity, and the costs to perform this work. As a result, these local impacts cannot be estimated.

Effective Date

The bill was signed into law by the Governor on June 24, 2021, and takes effect on September 7, 2021, assuming no referendum petition is filed.

State and Local Government Contacts

Counties
Public Safety

Municipalities
Regulatory Agencies