

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 23-0864.01 Jed Franklin x5484

HOUSE BILL 23-1234

HOUSE SPONSORSHIP

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Energy & Environment
Appropriations

Senate Committees

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Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE STREAMLINED SOLAR PERMITTING AND INSPECTION**
102 **GRANT PROGRAM, AND, IN CONNECTION THEREWITH, MAKING**
103 **AN APPROPRIATION.**

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>.)

The bill creates the streamlined solar permitting and inspection grant program (program). The program will grant money to local governments to implement free automated permitting and inspection software. To support the implementation of free automated permitting and inspection software by local governments, the state treasurer will transfer

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.

SENATE
Amended 2nd Reading
April 26, 2023

HOUSE
3rd Reading Unamended
April 11, 2023

HOUSE
Amended 2nd Reading
April 10, 2023

one million dollars from the general fund to the program in fiscal year 2022-23. The money is continuously appropriated.

The bill requires the Colorado energy office (office) to administer the program by developing procedures to award money to applicants, establishing a process for applicants to apply for money, requiring applicants to demonstrate expected costs to implement the automated permitting and inspection software, and beginning to approve applicants no later than June 30, 2024. A grantee must implement the free automated permitting software within 180 days of receipt of grant money. Grantees are required to report to the office the implementation status of the free automated permitting software one year after being granted the money and each year thereafter for 4 years. The office is required to report to the house of representatives energy and environment committee, the senate transportation committee, and the joint budget committee the progress of the grant program yearly beginning on January 1, 2025, and continuing until the repeal of the program on July 1, 2034.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-38.5-119 as
3 follows:

4 **24-38.5-119. Streamlined solar permitting and inspection**
5 **grant program - creation - eligibility - fund created - gifts, grants, or**
6 **donations - reporting - legislative declaration - definitions -**
7 **repeal.** (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

8 (a) THE STATE'S GOAL THAT ONE HUNDRED PERCENT OF ITS
9 ENERGY BE GENERATED BY RENEWABLE SOURCES BY 2040 REQUIRES THE
10 ADDITION OF APPROXIMATELY TEN GIGAWATTS OF RENEWABLE ENERGY
11 SOURCES;

12 (b) NEW RESIDENTIAL SOLAR PROJECTS HELP PROVIDE THE NEW
13 RENEWABLE SOURCES REQUIRED FOR THE STATE TO MEET ITS RENEWABLE
14 ENERGY GOAL;

15 (c) CURRENTLY, THE PERMITTING AND INSPECTION OF NEW
16 RESIDENTIAL SOLAR PROJECTS IS INEFFICIENT AND IS ESTIMATED TO ADD
17 ONE DOLLAR PER WATT TO THE COST OF A PROJECT, WITH AN AVERAGE

1 ADDED COST OF SEVEN THOUSAND DOLLARS PER PROJECT;

2 (d) FREE AUTOMATED PERMITTING AND INSPECTION SOFTWARE IS
3 AVAILABLE TO PERMITTING AND INSPECTION ENTITIES AND, WHEN
4 IMPLEMENTED, DECREASES COSTS AND EXPEDITES THE PERMITTING AND
5 INSPECTION OF A NEW RESIDENTIAL SOLAR PROJECT BY APPROXIMATELY
6 TWELVE DAYS;

7 (e) FREE AUTOMATED PERMITTING AND INSPECTION SOFTWARE
8 REQUIRES TECHNICAL TIME AND EXPERTISE TO IMPLEMENT, WHICH CAN BE
9 COST PROHIBITIVE AND KEEPS THE PERMITTING AND INSPECTION
10 SOFTWARE FROM BEING USED AND IMPLEMENTED;

11 (f) MANY LOCAL GOVERNMENTS ARE NOT IMPLEMENTING FREE
12 AUTOMATED PERMITTING AND INSPECTION SOFTWARE DUE TO A LACK OF
13 TECHNICAL RESOURCES; AND

14 (g) IT IS THEREFORE NECESSARY FOR THE GENERAL ASSEMBLY TO
15 PROVIDE GRANTS FOR TECHNICAL SUPPORT TO PERMITTING AND
16 INSPECTION ENTITIES THAT WILL HELP THEM IMPLEMENT AUTOMATED
17 PERMITTING AND INSPECTION SOFTWARE THAT WILL DECREASE THE TIME
18 NEEDED TO PERMIT AND INSPECT RESIDENTIAL SOLAR POWER SYSTEMS.

19 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
20 REQUIRES:

21 (a) "AUTHORITY HAVING JURISDICTION" MEANS THE LOCAL ENTITY
22 WITH AUTHORITY TO APPROVE BUILDING PERMITS AND INSPECTIONS
23 NECESSARY FOR THE OPERATION OF ELECTRIC POWER SYSTEMS.

24 (b) "AUTOMATED PERMITTING AND INSPECTION SOFTWARE" MEANS
25 A WEB-BASED PORTAL THAT IMPLEMENTS AUTOMATED PLAN REVIEW,
26 VERIFIES LOCAL CODE COMPLIANCE, AND ISSUES PERMITS FOR ELECTRIC
27 POWER SYSTEMS THAT IS DEVELOPED BY A NATIONAL ORGANIZATION

1 FOCUSED ON CLEAN ENERGY RESEARCH, DEVELOPMENT, AND DEPLOYMENT
2 IN COLLABORATION WITH BUILDING AND SAFETY INDUSTRY EXPERTS.

3 (c) "ELECTRIC POWER SYSTEM" MEANS A RESIDENTIAL ENERGY
4 STORAGE SYSTEM OR A RESIDENTIAL SOLAR ENERGY SYSTEM.

5 (d) "FUND" MEANS THE STREAMLINED SOLAR PERMITTING AND
6 INSPECTION CASH FUND CREATED IN SUBSECTION (7) OF THIS SECTION.

7 (e) "GRANT PROGRAM" MEANS THE STREAMLINED SOLAR
8 PERMITTING AND INSPECTION GRANT PROGRAM CREATED IN SUBSECTION
9 (3) OF THIS SECTION.

10 (f) "LOCAL GOVERNMENT" MEANS A STATUTORY OR HOME RULE
11 MUNICIPALITY, COUNTY, OR CITY AND COUNTY.

12 (g) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
13 SECTION 24-38.5-101.

14 (h) "POPULATION" MEANS THE POPULATION OF A CITY, CITY AND
15 COUNTY, OR THE UNINCORPORATED PORTION OF A COUNTY, AS
16 DETERMINED BY THE MOST CURRENT CENSUS DATA.

17 (i) "RESIDENTIAL ENERGY STORAGE SYSTEM" MEANS A DEVICE
18 INSTALLED BEHIND A CUSTOMER'S RESIDENTIAL UTILITY METER THAT IS
19 CAPABLE OF ABSORBING ELECTRICITY GENERATED FROM A CO-LOCATED
20 ELECTRICITY GENERATOR OR FROM THE ELECTRICAL GRID AND THAT
21 STORES ENERGY DELIVERED BY THE ELECTRICITY GENERATOR OR
22 ELECTRICAL GRID AND DISCHARGES THE ENERGY TO THE CUSTOMER OR
23 FOR EXPORT.

24 (j) "RESIDENTIAL SOLAR ENERGY SYSTEM" MEANS A
25 CONFIGURATION OF SOLAR ENERGY DEVICES THAT COLLECT AND
26 DISTRIBUTE SOLAR ENERGY FOR THE PURPOSE OF GENERATING
27 ELECTRICITY AND THAT HAS A SINGLE RESIDENTIAL INTERCONNECTION

1 WITH THE ELECTRIC UTILITY TRANSMISSION OR DISTRIBUTION NETWORK.

2 (3) [REDACTED] THE GRANT PROGRAM IS CREATED TO ALLOW AN
3 AUTHORITY HAVING JURISDICTION TO APPLY TO THE OFFICE FOR A GRANT
4 TO HELP PROVIDE IMPLEMENTATION SUPPORT TO THE AUTHORITY HAVING
5 JURISDICTION FOR IMPLEMENTATION OF AUTOMATED PERMITTING
6 SOFTWARE. IN ADMINISTERING THE GRANT PROGRAM, THE OFFICE SHALL:

7 (a) ESTABLISH AN APPLICATION PROCESS FOR AN AUTHORITY
8 HAVING JURISDICTION TO APPLY FOR A GRANT TO HELP PROVIDE
9 TECHNICAL SUPPORT FOR THE IMPLEMENTATION OF AUTOMATED
10 PERMITTING SOFTWARE;

11 (b) DEVELOP PROCEDURES TO AWARD A GRANT TO AN AUTHORITY
12 HAVING JURISDICTION FOR EXPENSES EXPECTED TO BE INCURRED IN
13 ADOPTING AUTOMATED PERMITTING SOFTWARE, INCLUDING NECESSARY
14 EXPENSES FOR STAFF TIME, INFORMATION TECHNOLOGY, TRAINING,
15 INSTALLATION, THIRD-PARTY CONSULTING, ONGOING MAINTENANCE FOR
16 UP TO THREE YEARS, AND HARDWARE OR EQUIPMENT;

17 (c) NOT AWARD MONEY TO AN AUTHORITY HAVING JURISDICTION
18 FOR EXPECTED COSTS ASSOCIATED WITH SOFTWARE OTHER THAN
19 AUTOMATED PERMITTING SOFTWARE, ACTIVITIES OCCURRING BEFORE
20 BEING AWARDED GRANT PROGRAM MONEY OR MORE THAN ONE HUNDRED
21 EIGHTY DAYS AFTER RECEIVING GRANT PROGRAM MONEY, FOOD AND
22 BEVERAGE COSTS, FINES, PENALTIES, ADVERTISING, OR PERMIT
23 PROCESSING FEES INCLUDING FEES CHARGED BY THE OPERATOR OF
24 AUTOMATED PERMITTING SOFTWARE;

25 (d) DETERMINE HOW AN AUTHORITY HAVING JURISDICTION MUST
26 DEMONSTRATE THE EXPECTED COSTS OF IMPLEMENTATION OF THE
27 AUTOMATED PERMITTING SOFTWARE;

1 (e) ESTABLISH PERIODIC REPORTING REQUIREMENTS FOR A
2 GRANTEE TO DEMONSTRATE THAT THE MONEY AWARDED IS BEING USED
3 AS AUTHORIZED BY THIS SECTION;

4 (f) ENCOURAGE THE GRANTEE TO IMPLEMENT AUTOMATED
5 PERMITTING AND INSPECTION SOFTWARE WITHIN ONE HUNDRED EIGHTY
6 DAYS OF THE AWARD;

7 (g) REQUIRE AN AUTHORITY HAVING JURISDICTION TO SUBMIT A
8 WRITTEN COPY OF THE BUILDING DEPARTMENT'S CONTEMPORANEOUS
9 REVIEW PROCEDURE AS SPECIFIED IN SECTION 12-115-120 (10)(b)(II) AND
10 AN AFFIRMATION FROM THE BUILDING DEPARTMENT THAT THEY ARE
11 COMPLYING WITH THEIR PROCEDURE;

12 (h) BEGIN APPROVING AND ALLOCATING MONEY TO GRANTEES NO
13 LATER THAN JUNE 30, 2024; AND

14 (i) AWARD GRANTS TO AUTHORITIES HAVING JURISDICTION
15 ACCORDING TO THE TERMS OF THIS SECTION BASED ON POPULATION AS
16 FOLLOWS:

17 (I) AN AUTHORITY HAVING JURISDICTION WITH A POPULATION OF
18 LESS THAN FIFTY THOUSAND MAY RECEIVE A GRANT THAT IS NO MORE
19 THAN FORTY THOUSAND DOLLARS;

20 (II) AN AUTHORITY HAVING JURISDICTION WITH A POPULATION OF
21 FIFTY THOUSAND OR MORE AND LESS THAN ONE HUNDRED THOUSAND MAY
22 RECEIVE A GRANT THAT IS NO MORE THAN SIXTY THOUSAND DOLLARS;

23 (III) AN AUTHORITY HAVING JURISDICTION WITH A POPULATION OF
24 ONE HUNDRED THOUSAND OR MORE AND LESS THAN TWO HUNDRED
25 THOUSAND MAY RECEIVE A GRANT THAT IS NO MORE THAN EIGHTY
26 THOUSAND DOLLARS; AND

27 (IV) AN AUTHORITY HAVING JURISDICTION WITH A POPULATION OF

1 TWO HUNDRED THOUSAND OR MORE MAY RECEIVE A GRANT THAT IS NO
2 MORE THAN ONE HUNDRED THOUSAND DOLLARS.

3 (4) THE OFFICE MAY USE UP TO NINE PERCENT OF THE MONEY IN
4 THE FUND TO COVER THE DIRECT AND INDIRECT COSTS THAT THE OFFICE
5 INCURS IN ADMINISTERING THE GRANT PROGRAM.

6 (5) IN ADDITION TO THE REPORTING REQUIREMENTS ESTABLISHED
7 PURSUANT TO SUBSECTION (3)(e) OF THIS SECTION, ONE YEAR AFTER
8 RECEIPT OF A GRANT, THE GRANTEE SHALL REPORT TO THE OFFICE
9 AUTOMATED PERMITTING SOFTWARE AND PERMITTING STATISTICS
10 INCLUDING, FOR EACH REPORTING PERIOD, THE NUMBER OF PERMITS
11 ISSUED, PERMITTED SOLAR POWER SYSTEM CAPACITY, AND THE
12 CHARACTERISTICS OF EACH PERMITTED ELECTRIC POWER SYSTEM. THE
13 GRANTEE IS ENCOURAGED TO VOLUNTARILY REPORT THIS SAME
14 INFORMATION ANNUALLY THEREAFTER FOR A PERIOD OF FOUR YEARS.

15 (6) (a) ON OR BEFORE JANUARY 1, 2025, AND ON OR BEFORE
16 JANUARY 1 OF EACH YEAR THEREAFTER, THE OFFICE SHALL PREPARE A
17 REPORT SUMMARIZING THE PROGRESS OF THE GRANT PROGRAM AND
18 SUBMIT THE REPORT TO THE HOUSE OF REPRESENTATIVES ENERGY AND
19 ENVIRONMENT COMMITTEE, THE SENATE TRANSPORTATION COMMITTEE,
20 AND THE JOINT BUDGET COMMITTEE, OR THEIR SUCCESSOR COMMITTEES.
21 THE OFFICE SHALL POST A COPY OF THE REPORT ON ITS WEBSITE.

22 (b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE OFFICE'S
23 REPORTING REQUIREMENTS SET FORTH IN SUBSECTION (6)(a) OF THIS
24 SECTION CONTINUE UNTIL THE GRANT PROGRAM REPEALS PURSUANT TO
25 SUBSECTION (8) OF THIS SECTION OR UNTIL FIVE YEARS AFTER THE LAST
26 GRANT IS AWARDED, WHICHEVER COMES FIRST.

27 (7) (a) (I) THE STREAMLINED SOLAR PERMITTING AND INSPECTION

1 CASH FUND IS CREATED IN THE STATE TREASURY, AND THE OFFICE SHALL
2 ADMINISTER THE FUND FOR THE PURPOSES OF THIS SECTION. THE FUND
3 CONSISTS OF ANY MONEY THAT THE GENERAL ASSEMBLY MAY TRANSFER
4 OR APPROPRIATE TO THE FUND FOR IMPLEMENTATION OF THE GRANT
5 PROGRAM AND ANY FEDERAL MONEY OR GIFTS, GRANTS, OR DONATIONS
6 RECEIVED PURSUANT TO SUBSECTION (7)(a)(II) OF THIS SECTION.

7 (II) FOR PURPOSES OF THIS SECTION, THE OFFICE MAY SEEK,
8 ACCEPT, AND EXPEND:

9 (A) MONEY FROM FEDERAL SOURCES; AND

10 (B) GIFTS, GRANTS, OR DONATIONS FROM PUBLIC OR PRIVATE
11 SOURCES.

12 (III) THE OFFICE SHALL TRANSMIT ANY MONEY RECEIVED
13 PURSUANT TO SUBSECTION (7)(a)(II) OF THIS SECTION TO THE STATE
14 TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

15 (b) THE MONEY IN THE FUND IS ANNUALLY APPROPRIATED BY THE
16 GENERAL ASSEMBLY TO THE OFFICE FOR THE PURPOSES SET FORTH IN THIS
17 SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
18 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
19 FUND TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEY
20 REMAINING IN THE FUND AT THE END OF A STATE FISCAL YEAR REMAINS IN
21 THE FUND; EXCEPT THAT THE STATE TREASURER SHALL TRANSFER ANY
22 MONEY REMAINING IN THE FUND AT THE END OF THE 2027-28 STATE
23 FISCAL YEAR TO THE GENERAL FUND.

24 

25 (8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2033.

26 **SECTION 2. Appropriation.** (1) For the 2023-24 state fiscal
27 year, \$992,709 is appropriated to the streamlined solar permitting and

1 inspection cash fund created in section 24-38.5-119 (7)(a)(I), C.R.S. This
2 appropriation is from the general fund. The office of the governor is
3 responsible for the accounting related to this appropriation.

4 (2) For the 2023-24 state fiscal year, \$992,709 is appropriated to
5 the office of the governor for use by the Colorado energy office. This
6 appropriation is from reappropriated funds in the streamlined solar
7 permitting and inspection cash fund under subsection (1) of this section
8 and is based on an assumption that the Colorado energy office will
9 require an additional 0.4 FTE. To implement this act, the Colorado energy
10 office may use this appropriation for streamlined solar permitting and
11 inspection grants.

12 **SECTION 3. Act subject to petition - effective date.** This act
13 takes effect at 12:01 a.m. on the day following the expiration of the
14 ninety-day period after final adjournment of the general assembly; except
15 that, if a referendum petition is filed pursuant to section 1 (3) of article V
16 of the state constitution against this act or an item, section, or part of this
17 act within such period, then the act, item, section, or part will not take
18 effect unless approved by the people at the general election to be held in
19 November 2024 and, in such case, will take effect on the date of the
20 official declaration of the vote thereon by the governor.