



## Legislative Council Staff

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# Fiscal Note

<b>Drafting Number:</b>	LLS 22-0105	<b>Date:</b>	January 31, 2022
<b>Prime Sponsors:</b>	Rep. Boesenecker Sen. Priola	<b>Bill Status:</b>	House Trans. & Local Govt.
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**Bill Topic:** POWERLINE TRAILS

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory Public Entity

The bill authorizes transmission providers to contract for the construction and maintenance of powerline trails in transmission corridors and to recover costs in transmission rates. It increases state revenue and state and local expenditures beginning in FY 2022-23.

**Appropriation Summary:** For FY 2022-23, the bill requires an appropriation of \$101,412 to the Department of Regulatory Agencies.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1  
State Fiscal Impacts Under HB 22-1104**

		Budget Year FY 2022-23	Out Year FY 2023-24
<b>Revenue</b>	Cash Funds	\$129,489	\$122,700
<b>Expenditures</b>	Cash Funds	\$101,412	\$95,212
	Centrally Appropriated	\$28,077	\$27,488
	<b>Total Expenditures</b>	<b>\$129,489</b>	<b>\$122,700</b>
	<b>Total FTE</b>	<b>1.0 FTE</b>	<b>1.0 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	TABOR Refund	\$129,489	\$122,700

## Summary of Legislation

The bill authorizes transmission providers to enter into contracts with public and private entities to construct and maintain powerline trails in an existing or future transmission corridor.

**Transmission providers.** Transmission providers are required to develop and distribute informational resources to encourage powerline trail development by May 1, 2023. Transmission providers must demonstrate compliance with these requirements when applying for permits or notifying local governments of plans to site or expand a transmission line. Transmission providers are authorized to recover costs in implementing and complying with the bill, including costs transmission providers contribute to construct and maintain a powerline trail.

**Public Utilities Commission.** The Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) is directed to amend rules to include a requirement that utilities consider and address plans for new powerline trails in coordination with local governments in each 2-year update to a 10-year transmission plan, and to demonstrate compliance with the informational resource development requirements of the bill in their 10-year plan filings.

**Colorado Electric Transmission Authority.** The Colorado Electric Transmission Authority (CETA), created in Senate Bill 21-072, is authorized to contract for powerline trails. CETA is required to promote the construction and maintenance of powerline trails and to arrange for the continuation of any existing contracts for powerline trails.

## State Revenue

Beginning in FY 2022-23, revenue will increase to the Fixed Utility Fund in DORA from annual fees paid by public utilities. Fee increases will be paid by regulated utilities in proportion to their share of gross intrastate utility revenue to cover the PUC's expenditures.

**Table 2**  
**Fee Impact Under HB22-1104**

<b>Fee Type</b>	<b>Fund</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
Annual Fee	Fixed Utility Fund	\$129,489	\$122,700
	<b>Total</b>	<b>\$129,489</b>	<b>\$122,700</b>

## State Expenditures

The bill increases state expenditures in DORA by \$129,489 in FY 2022-23 and \$122,700 in FY 2023-24 and onward from the Fixed Utility Fund. Expenditures are shown in Table 3 and detailed below.

**Table 3  
Expenditures Under HB 22-1104**

	FY 2022-23	FY 2023-24
<b>Department of Regulatory Agencies</b>		
Personal Services	\$93,862	\$93,862
Operating Expenses	\$1,350	\$1,350
Capital Outlay Costs	\$6,200	-
Centrally Appropriated Costs <sup>1</sup>	\$28,077	\$27,488
FTE – Personal Services	1.0 FTE	1.0 FTE
<b>Total</b>	<b>\$129,489</b>	<b>\$122,700</b>
<b>Total FTE</b>	<b>1.0 FTE</b>	<b>1.0 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Regulatory Agencies.** Beginning in FY 2022-23, DORA requires 1.0 FTE trial and advisory staff to support transmission utility applications to the PUC to recover costs from ratepayers. Staff resources are based on previous appeals to the PUC by transmission utilities seeking a determination regarding local land use restrictions. Costs to construct and maintain powerline trails depend upon the contractual arrangements made between the transmission utility and the public entity or private landowner. Staff resources are estimates and will depend on the number and complexity of applications filed by transmission utilities. Standard operating and capital outlay costs are included.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

### **Other Budget Impacts**

**TABOR refunds.** The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2021 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2023-24. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

### **Local Government**

To the extent that local governments enter into contracts with transmission providers to construct and maintain powerline trails, this bill may increase workload and expenditures for local governments, depending on the contractual arrangements. Local governments may incur expenditures to carry sufficient insurance coverage. In addition, local governments will incur workload impacts to review

informational resources provided by transmission providers when applying for permits or notifying local governments of plans to site or expand transmission lines.

## Statutory Public Entity

The bill is expected to increase costs for CETA, the state-chartered independent transmission authority, to develop and distribute informational resources on powerline trails. To the extent that CETA enters into contracts to develop and maintain powerline trails, or to arrange for the continuation of existing contracts for powerline trails, its expenditures will increase.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

In FY 2022-23, this bill requires an appropriation of \$101,412 and 1.0 FTE from the Fixed Utility Fund to the Department of Regulatory Agencies.

## State and Local Government Contacts

Counties	Information Technology	Law
Local Affairs	Municipalities	Regulatory Agencies