

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

PREAMENDED

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

LLS NO. 23-0864.01 Jed Franklin x5484

HOUSE BILL 23-1234

HOUSE SPONSORSHIP

Brown and Soper,

SENATE SPONSORSHIP

Roberts,

House Committees

Energy & Environment
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE STREAMLINED SOLAR PERMITTING AND INSPECTION**
102 **GRANT PROGRAM.**

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 one million dollars from the general fund to the program in fiscal year

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.

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

24 (c) (I) ON JUNE 30, 2023, THE STATE TREASURER SHALL TRANSFER
25 ONE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

26 (II) THIS SUBSECTION (7)(c) IS REPEALED, EFFECTIVE JULY 1, 2023.

27 (8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2033.

1 **SECTION 2. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety.