



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number:	LLS 23-0648	Date:	February 1, 2023
Prime Sponsors:	Rep. Joseph; Kipp Sen. Cutter	Bill Status:	House Energy & Environment
		Fiscal Analyst:	Clayton Mayfield 303-866-5851 clayton.mayfield@coleg.gov

Bill Topic: **REQUIRE ELECTRIC OPTIONS IN HOME WARRANTIES**

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

The bill requires home service warranty contracts to include an option to replace gas-fueled appliances with similar electric appliances. Starting in FY 2023-24, the bill may minimally impact state revenue and workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

The bill requires home service warranty contracts that provide coverage for gas-fueled appliances to allow the homeowner to:

- replace gas-fueled appliances with electric powered appliances of their choosing;
- receive the cash equivalent of a gas-fueled replacement appliance in lieu of an actual replacement appliance;
- replace furnaces, HVAC systems, boilers, or water heaters with a heat pump-based system; and
- replace a gas-fueled stove with either an electric stove or an induction stove.

Contracts must also describe minimum efficiency and performance standards for each gas-fueled appliance and for any electric replacements.

State Revenue and Expenditures

Starting in FY 2023-24, the bill may minimally increase state revenue and expenditures in the Judicial Department and may minimally increase workload in the Department of Law (DOL) as described below.

Judicial Department. The bill impacts contracts between private parties. To the extent that disputes arise, the bill may minimally increase state revenue from filing fees, as well as workload for the trial courts. The fiscal note assumes high compliance with the bill and no change in appropriations is required.

Department of Law. If consumer complaints are filed with the DOL regarding the administration of home warranty service contracts, then the Consumer Protection Division in the DOL will assess the complaints for further action within existing budget resources. No change in appropriations is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. It applies to home warranty service contracts executed or renewed on or after January 1, 2024.

State and Local Government Contacts

Judicial

Law

Regulatory Agencies