



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number: LLS 23-0864 Date: August 28, 2023
Prime Sponsors: Rep. Brown; Soper Bill Status: Signed into Law
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Bill Topic: STREAMLINED SOLAR PERMITTING & INSPECTION GRANTS

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill creates a grant program in the Colorado Energy Office to assist local governments in implementing automated permitting and inspection software for residential solar energy systems. It increases state expenditures and local revenue and expenditures beginning in the FY 2023-24.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$992,709 to the Colorado Energy Office.

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

Table 1
State Fiscal Impacts Under HB 23-1234

Table with 4 columns: Category, Sub-category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

This bill creates a grant program in the Colorado Energy Office (CEO) to assist local governments with implementing free automated solar permitting and inspection software for residential solar energy systems. The CEO must develop an application and review process, and begin awarding grants no later than June 30, 2024. Grantees are required to implement software within 180 days, and make annual reports to the state. The CEO must make progress reports annually to relevant legislative committees each January from 2025 through 2033.

The bill creates the Streamlined Solar Permitting and Inspection Cash Fund. The fund is subject to annual appropriations. The CEO may use up to nine percent of money in the fund to cover its direct and indirect costs, with the remaining amount used for grants. The bill repeals on July 1, 2033.

State Expenditures

In FY 2023-24, the bill increases state General Fund expenditures by \$1.0 million and about \$38,000 in FY 2024-25. Future-year program funding will be at the discretion of the General Assembly through the program's repeal in FY 2032-33. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 23-1234

	FY 2023-24	FY 2024-25
Colorado Energy Office		
Personal Services	\$30,787	\$30,787
Grants	\$961,922	-
Centrally Appropriated Costs	\$7,291	\$7,291
Total Cost	\$1,000,000	\$38,078
Total FTE	0.4 FTE	0.4 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Administration. The CEO will require 0.4 FTE in at least FY 2023-24 and FY 2024-25 for a Project Manager I to coordinate the program, design technical support resources for local governments, manage all contracts and third-party administrators, serve as the main point of contact for program inquiries, and lead monthly and annual reporting. Personal services costs are shown in Table 2 above. It is assumed that ongoing staffing needs in FY 2025-26 and future years will be addressed through the annual budget process based on funding decisions for the grant program made by the General Assembly.

Grants. After accounting for administrative expenses, at least \$961,000 of the initial tranche of funding will be used for grants to local governments. The exact amount above this minimum threshold will depend on CEO decisions regarding the grant timing. Future-year spending will be addressed through the annual budget process.

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

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. If the General Assembly appropriates additional money to the cash fund created by the bill, the amount of General Fund available for other purposes will also decrease based on this reserve requirement.

Local Government

In FY 2023-24, local government revenue and expenditures will increase to the extent they receive grants from the state.

Effective Date

The bill was signed into law by the Governor on May 19, 2023, and it took effect on August 7, 2023.

State Appropriations

For FY 2023-24, the bill requires and includes a General Fund appropriation of \$992,709 to the Streamlined Solar Permitting and Inspection Cash Fund. This amount is further appropriated to the Colorado Energy Office, with 0.4 FTE.

State and Local Government Contacts

Colorado Energy Office
Local Affairs
OEDIT

Counties
Municipal Utilities
Treasury

County Treasurers
Municipalities