



Fiscal Note

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HB 25-1096: AUTOMATED PERMITS FOR CLEAN ENERGY TECHNOLOGY

Prime Sponsors:

Rep. Smith; Brown
Sen. Ball

Fiscal Analyst:

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Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the House Energy and Environment Committee.

Summary Information

Overview. The bill requires certain local governments to use automated permitting software for residential solar energy systems.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- TABOR Refunds
- Local Government

Appropriations. For FY 2025-26, the bill requires an appropriation of \$95,000 to the Department of Regulatory Agencies.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue (Cash Funds)	\$0	\$95,000
State Expenditures (Cash Funds)	\$95,000	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$95,000
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill requires certain local governments to implement automated permitting software by FY 2026-27 and use the software to evaluate 75 percent of residential solar panel installation applications. If the software approves a permit, the local government may not manually review application materials except during an inspection or if the application requires special consideration, and the local government must allow for remote inspections. Local governments must notify the Colorado Energy Office (CEO) when they implement the bill's requirements, and must also submit an annual report to CEO on the program's uptake. These requirements apply to municipalities and counties that require permits for residential solar energy systems and have jurisdiction over a population of at least 5,000 people.

By FY 2026-27, the State Electrical Board in the Department of Regulatory Agencies (DORA) must implement a software platform for automatically issuing residential solar energy system permits. It must also notify CEO when it implements the platform.

Background

Under current law, local governments may adopt automated permitting software for issuing permits for electric power systems, including residential solar energy systems. CEO operates the [Automated Permit Processing For Solar \(APPS\) Grant Program](#) to support local governments in implementing automated permitting software, as established by [House Bill 23-1234](#). So far, CEO has awarded three grants through the program.

State Revenue

The bill increases revenue to the Division of Professions and Occupations Cash Fund in DORA by \$95,000 over a three-year period beginning in FY 2026-27.

Fee Impact on Electrical Professions

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Fees are expected to increase by about three percent for one licensure cycle, taking place over three years. After the cycle, fees will return to current levels: \$109 to \$229 depending on the electrical profession. These fee amounts are estimates only, actual fees will be set administratively by DORA based on cash fund balance, program costs, and the number of licenses subject to the fee. Fee revenue is subject to TABOR. Table 2 below identifies the fee impact of this bill.

Table 2
Fee Impact on Electrical Professions
FY 2026-27

Regulated Profession	Estimated Fee Increase	Number Affected	Total Fee Impact
Electrical Contractor	\$5.10	4,312	\$26,311
Electrical Journeyman	\$3.46	10,682	\$37,002
Electrical Masters	\$4.05	6,717	\$27,205
Electrical Residential Wireman	\$2.90	1,543	\$4,481
Total Fee Revenue			\$95,000

State Expenditures

The bill increases state expenditures by \$95,000 in FY 2025-26 only in the Department of Regulatory Agencies as described in the sections below. The bill also increases workload in the Colorado Energy Office. Costs are paid from the Professions and Occupations Cash Fund and the Streamlined Solar Permitting and Inspection Cash Fund.

Department of Regulatory Agencies

DORA requires information technology system updates totaling up to \$95,000 in FY 2025-26, paid from the Division of Professions and Occupations Cash Fund. This includes software updates with the existing system vendor and a two-way interface to connect the system with the automated permitting software.

Colorado Energy Office

While local governments are already permitted to apply for grants, the bill is expected to increase the number of applications and grants awarded, which increases workload for CEO staff beginning in FY 2025-26. This can be accomplished within existing appropriations.

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 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. 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

In FY 2025-26, the bill increases expenditures in applicable local governments to adopt ordinances or resolutions concerning residential solar energy permits, and it increases revenue for jurisdictions awarded grants from CEO. Beginning in FY 2026-27, workload may decrease in local governments based on the number of permits approved via software instead of manual review.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires an appropriation of \$95,000 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies.

The bill results in no net change in appropriations for the Colorado Energy Office, as the balance of the Streamlined Solar Permitting and Inspection Cash Fund is typically appropriated to the office. If the bill results in more grants awarded in FY 2025-26, it will decrease appropriations in future years.

State and Local Government Contacts

Colorado Energy Office

Legislative Council Staff

Counties

Regulatory Agencies

Law