



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1119: REQUIRE DISCLOSURES OF CLIMATE EMISSIONS

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**Prime Sponsors:**

Rep. Rutinel

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**Fiscal note status:** The fiscal note reflects the introduced bill.

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### Summary Information

**Overview.** The bill requires certain companies to disclose their direct and indirect greenhouse gas emissions beginning in 2028.

**Types of impacts.** The bill is projected to affect the following areas, primarily in FY 2026-27:

- State Revenue
- State Expenditures

**Appropriations.** No appropriation is required.

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**Table 1**  
**State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$210,378
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	1.3 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$0	\$184,645
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$0	\$25,733
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$210,378</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>1.3 FTE</b>

### Summary of Legislation

The bill requires companies that do business in Colorado and have total annual revenue exceeding \$1 billion to publicly disclose their greenhouse gas emissions, in alignment with the [Greenhouse Gas Protocol Corporate Accounting and Reporting Standard](#). The company must have its disclosures verified by a third-party auditor. The emissions to be reported phase in over four years, as shown in Table 2.

**Table 2  
Emissions Reporting Schedule**

<b>Initial Reporting Deadline</b>	<b>Source of Emissions Reported</b>
January 1, 2028	<ul style="list-style-type: none"> <li>• Direct activities, including from fuel combustion</li> <li>• Emissions generated from purchased electricity</li> </ul>
January 1, 2029	<ul style="list-style-type: none"> <li>• All previously required sources</li> <li>• Purchased goods and services</li> <li>• Capital goods</li> <li>• Use of sold products</li> </ul>
January 1, 2030	<ul style="list-style-type: none"> <li>• All previously required sources</li> <li>• Waste generated in operations</li> <li>• Processing of sold products</li> <li>• End-of-life of sold products</li> </ul>
January 1, 2031	<ul style="list-style-type: none"> <li>• All previously required sources</li> <li>• Upstream transportation and distribution</li> <li>• Business travel</li> <li>• Employee commuting</li> <li>• Upstream leased assets</li> <li>• Downstream transportation and distribution</li> <li>• Downstream leased assets</li> <li>• Franchises</li> </ul>

A company that violates these requirements is subject to a civil penalty unless it reaches an agreement with the Attorney General and the Department of Public Health and Environment (CDPHE).

## State Revenue

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### Civil Penalties

The bill may increase state revenue from civil penalties imposed for violations of the disclosure requirements, up to \$100,000 per day under the bill. This revenue is classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General and district attorneys, the fiscal note cannot estimate the potential impact of these civil penalties.

### Filing Fees

The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

## State Expenditures

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The bill increases state expenditures by about \$210,000 in FY 2026-27 only. Costs will be incurred in the Department of Public Health and Environment and the Colorado Energy Office as shown in Table 3 and described in the sections below. Costs are paid from the General Fund. In addition, the Department of Law and the Judicial Department will have ongoing workload impacts beginning in FY 2027-28.

**Table 3**  
**State Expenditures**  
**All Departments**

<b>Department</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Department of Public Health and Environment	\$0	\$113,709
Colorado Energy Office	\$0	\$96,669
<b>Total Costs</b>	<b>\$0</b>	<b>\$210,378</b>

**Department of Public Health and Environment**

The bill increases expenditures for the Air Quality Control Commission to conduct rulemaking in FY 2026-27 only, in order for the rules to be established before the first reporting deadline in January 2028.

**Staff**

The rulemaking requires 0.5 FTE to support the hearing and to develop associated analyses. Standard operating and capital outlay costs are included.

**Legal Services**

The department will require 350 hours of legal services to conduct rulemaking. Legal services are provided by the Department of Law at a rate of \$133.74 per hour.

**Table 3A  
State Expenditures  
Department of Public Health and Environment**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$0	\$48,837
Operating Expenses	\$0	\$640
Capital Outlay Costs	\$0	\$6,670
Legal Services	\$0	\$46,809
Centrally Appropriated Costs	\$0	\$10,753
FTE – Personal Services	0.0 FTE	0.5 FTE
FTE – Legal Services	0.0 FTE	0.2 FTE
<b>Total Costs</b>	<b>\$0</b>	<b>\$113,709</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.7 FTE</b>

### **Colorado Energy Office**

The office is party to Air Quality Control Commission rulemaking procedures and frequently intervenes. This is estimated to require 0.6 FTE in FY 2026-27 only to develop strategy and coordinate testimony during the proceedings. Standard operating costs are included.

**Table 3B  
State Expenditures  
Department of Colorado Energy Office**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$0	\$80,921
Operating Expenses	\$0	\$768
Centrally Appropriated Costs	\$0	\$14,980
<b>Total Costs</b>	<b>\$0</b>	<b>\$96,669</b>
<b>Total FTE</b>	<b>\$0</b>	<b>0.6 FTE</b>

### **Department of Law**

Workload in the Department of Law will minimally increase to the extent that complaints are filed. The department will review complaints under the bill and prioritize investigations as necessary within the overall number of complaints and available resources.

### **Judicial Department**

The trial courts in the Judicial Department may have an increase in cases filed under the bill. The fiscal note assumes that overall cases will be minimal and that no change in appropriations is required.

### **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 the expenditure tables above.

## Local Government

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Similar to the state, to the extent district attorneys receive complaints related to disclosure requirements under the bill, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most such cases will be handled at the state level by the Attorney General.

## Technical Note

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The fiscal note assumes that reporting requirements will be made available and posted on company websites. If the CDPHE is responsible for collecting and posting the reporting, or verify accuracy, additional costs may be incurred.

## Effective Date

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

## State and Local Government Contacts

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Colorado Energy Office

Law

District Attorneys

Public Health and Environment

Judicial

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).