



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1202: INCREASING PUBLIC AWARENESS OF MOLD HEALTH EFFECTS

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**Prime Sponsors:**

Rep. Paschal; Mabrey

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**Published for:** House Energy & Environment

**Drafting number:** LLS 25-0419

**Version:** Initial Fiscal Note

**Date:** March 3, 2025

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

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### Summary Information

**Overview.** The bill enacts the Mold Awareness and Registration Act and requires certain disclosures in residential property transactions.

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

- State Expenditures
- Minimal State Revenue

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$493,036 to the Department of Public Health and Environment.

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

| <b>Type of Impact<sup>1</sup></b> | <b>Budget Year<br/>FY 2025-26</b> | <b>Out Year<br/>FY 2026-27</b> |
|-----------------------------------|-----------------------------------|--------------------------------|
| State Revenue                     | \$0                               | \$0                            |
| State Expenditures                | \$513,080                         | \$287,416                      |
| Transferred Funds                 | \$0                               | \$0                            |
| Change in TABOR Refunds           | \$0                               | \$0                            |
| Change in State FTE               | 1.0 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<br/>FY 2025-26</b> | <b>Out Year<br/>FY 2026-27</b> |
|---------------------------|-----------------------------------|--------------------------------|
| General Fund              | \$493,036                         | \$261,470                      |
| Cash Funds                | \$0                               | \$0                            |
| Federal Funds             | \$0                               | \$0                            |
| Centrally Appropriated    | \$20,044                          | \$25,946                       |
| <b>Total Expenditures</b> | <b>\$513,080</b>                  | <b>\$287,416</b>               |
| <b>Total FTE</b>          | <b>1.0 FTE</b>                    | <b>1.3 FTE</b>                 |

## Summary of Legislation

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The bill enacts the Mold Awareness and Registration Act in the Department of Public Health and Environment (CDPHE) and establishes requirements for mold disclosure in the sale or rental of residential property.

### Mold Awareness and Registration Act

The bill directs the CDPHE to establish a public awareness campaign on the health dangers of mold and the importance of remediating it from indoor environments. The campaign must include:

- the distribution of certain information pertaining to mold;
- the publication of organizations and public agencies that can assist with testing and remediation; and
- a review of the existing and new treatments for identification and remediation.

The CDPHE must adopt rules for these provisions by January 1, 2026. The department must also create a registry for individuals that provide mold assessment or remediation services, and maintain a public database of registered providers.

### Disclosure

The bill requires a contract of sale or lease agreement for residential property to include specific disclosures about the health dangers of mold, any knowledge about the presence of mold in the property, prior mold assessments and remediation, and public awareness campaign documents.

### Background

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The Indoor Air Quality Unit in the CDPHE studies and provides information on air pollution, air quality, and ventilation in community-use buildings. These efforts are federally funded by the Environmental Protection Agency, which directs the unit's efforts. Through FY 2026-27, indoor air quality funding is directed towards wildfire smoke preparedness and mitigation in indoor environments. Currently, the department does not oversee any programs directly related to mold exposure or remediation in indoor environments.

## State Revenue

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Starting in FY 2025-26, the bill may increase state revenue from filing fees to the Judicial Department if real estate professionals do not disclose certain information in the sale or lease of residential property, or if mold mitigation entities fail to comply with registration requirements. It is assumed that these parties will abide by the law and that this impact will be minimal. Revenue from filing fees is subject to TABOR.

## State Expenditures

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The bill increases state expenditures in the Department of Public Health and Environment by about \$514,000 in FY 2025-26 and \$287,000 in future years. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Department of Regulatory Agencies and the Judicial Department.

**Table 2**  
**State Expenditures**  
**Department of Public Health and Environment**

| <b>Cost Component</b>          | <b>Budget Year<br/>FY 2025-26</b> | <b>Out Year<br/>FY 2026-27</b> |
|--------------------------------|-----------------------------------|--------------------------------|
| Personal Services              | \$81,947                          | \$105,344                      |
| Operating Expenses             | \$1,280                           | \$1,664                        |
| Capital Outlay Costs           | \$6,670                           | \$0                            |
| Travel Expenses                | \$1,203                           | \$2,286                        |
| Public Awareness Campaign      | \$146,760                         | \$46,000                       |
| Registration                   | \$230,000                         | \$90,000                       |
| IT Maintenance and Contingency | \$25,176                          | \$16,176                       |
| Centrally Appropriated Costs   | \$20,044                          | \$25,946                       |
| <b>Total Costs</b>             | <b>\$513,080</b>                  | <b>\$287,416</b>               |
| <b>Total FTE</b>               | <b>1.0 FTE</b>                    | <b>1.3 FTE</b>                 |

## Department of Public Health and Environment

Expenditures in the CDPHE will increase for staff, materials, information technology systems, the public awareness campaign, and for a registration program as described below.

### Staff

Starting in FY 2025-26, CDPHE requires 1.0 FTE Physical Scientist Researcher II to research and compile the information required for the public awareness campaign, create and distribute campaign materials, study mold assessment and remediation methods, generate the five-year reviews, and support the Board of Health with rulemaking. This position also requires travel, lodging, and per diem reimbursement. Staff costs for this FTE are prorated in the first year based on the bill's effective date.

The department also requires 0.2 FTE Marketing and Communications Specialist III and 0.1 FTE Project Manager I to manage the paid media contract and perform annual maintenance on the public-facing website and registration database, respectively. Staff costs for these FTE are prorated in the first year based on a start date of January 1, 2026.

## Public Awareness Campaign

The bill requires CDPHE to establish a public awareness campaign by creating electronic and physical materials for public access. In FY 2025-26 only, expenditures will increase by about \$22,000 to create a new website and publish information related to mold dangers, assessment, and remediation. Additionally, the department requires an estimated \$79,000 in the first year only to generate content and print materials, and an additional \$46,000 to purchase advertising space on an annual basis.

## Registration

The bill also requires CDPHE to register entities that offer mold assessment and remediation, and establish a publicly accessible database of these individuals. In FY 2025-26 only, expenditures will increase by \$140,000 to develop the database, with an additional \$90,000 for annual licensing fees.

## IT Maintenance and Contingency

About \$252,000 of costs for the website, database development, and licensing as identified above will be implemented by the Office of Information Technology (OIT). Ongoing contingency and maintenance costs are estimated at 10 percent of total IT expenditures starting in FY 2025-26.

## 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 may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

## Other Agency Impacts

Starting in FY 2025-26, the bill minimally increases workload in DORA and the Judicial Department, as described below.

## Department of Regulatory Agencies

Workload in the Division of Real Estate in DORA will minimally increase to update contract documents and mold disclosure forms for residential property transactions, conduct outreach to real estate professionals, and respond to complaints. The department may require legal services, provided by the Department of Law, related to rulemaking, implementation, and a rise in complaints. This workload is expected to be minimal and no change in appropriations is required.

## Judicial Department

Similar to the State Revenue section above, trial courts in the Judicial Department may experience an increase in workload if additional civil cases are filed. It is assumed that real estate and mold mitigation professionals will abide by the law and that any violation of the legislation will result in a minimal number of new cases. This effort can be accomplished within existing appropriations.

## 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, except that the provisions related to required disclosures by real estate professionals take effect January 1, 2026.

## State Appropriations

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For FY 2025-26, the bill requires a General Fund appropriation of \$493,036 to the Department of Public Health and Environment, and 1.0 FTE. Of this amount, \$276,936 is reappropriated to the Office of Information Technology.

## State and Local Government Contacts

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Information Technology

Local Affairs

Judicial

Public Health and Environment

Law

Regulatory Agencies