



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1268: UTILITY ON-BILL REPAYMENT PROGRAM FINANCING

Prime Sponsors:

Rep. Joseph; Froelich
Sen. Mullica; Winter F.

Fiscal Analyst:

Matt Bishop, 303-866-4796
matt.bishop@coleg.gov

Published for: House Energy & Environment

Drafting number: LLS 25-0286

Version: Initial Fiscal Note

Date: March 3, 2025

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

Summary Information

Overview. The bill creates a financing mechanism for energy efficiency and electrification measures using money from the Unclaimed Property Trust Fund.

Types of impacts. The bill is projected to affect the following areas from FY 2025-26 to FY 2044-45:

- State Revenue
- State Expenditures
- State Transfer

Appropriations. For FY 2025-26, the bill requires an appropriation of \$100 million to the Colorado Energy Office.

**Table 1
State Fiscal Impacts**

Type of Impact¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	-\$3,000,000	-\$3,090,000
State Expenditures	\$25,111,878	\$24,991,868
Transferred Funds	\$100,000,000	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	3.4 FTE	3.4 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
 State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	-\$3,000,000	-\$3,090,000
Total Revenue	-\$3,000,000	-\$3,090,000

**Table 1B
 State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$25,038,554	\$24,918,544
Federal Funds	\$0	\$0
Centrally Appropriated	\$73,324	\$73,324
Total Expenditures	\$25,111,878	\$24,991,868
Total FTE	3.4 FTE	3.4 FTE

**Table 1C
 State Transfers¹**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
Unclaimed Property Trust Fund	-\$100 million	\$0
State Utility On-Bill Repayment Program Cash Fund	\$100 million	\$0
Net Transfer	\$0	\$0

¹ This transfer is in the form of an interest-free loan from the Unclaimed Property Trust Fund to the State Utility On-Bill Repayment Program Cash Fund. The loan must be repaid by July 1, 2045.

Summary of Legislation

The bill creates the State Utility On-Bill Repayment Program in the Colorado Energy Office (CEO). The office can lend money to a participating utility, which can use the money to complete energy efficiency or electrification measures at the request of an eligible utility customer. The customer then repays the utility through a charge on their utility bill. The repayment obligation is tied to the utility meter, so the beneficiary of the upgrade is responsible for the payments even if the property is sold.

The bill loans \$100 million from the Unclaimed Property Trust Fund to the new State Utility On-Bill Repayment Program Cash Fund to support the program. CEO may use 2 percent of the loan for its administrative costs, and it must repay the loan, without interest, by July 1, 2045.

Background

The Unclaimed Property Division of the State Treasury holds, in perpetuity or until claimed, lost or forgotten assets of individuals and businesses in Colorado. The Unclaimed Property Trust Fund consists of all moneys collected under the Unclaimed Property Act, and interest earned on the account. The Unclaimed Property Trust Fund is TABOR-exempt; however, transfers out of the fund are generally subject to TABOR.

Assumptions

The bill makes about \$98 million available for financing energy efficiency and electrification measures through utilities. The fiscal note assumes that CEO will issue the entire amount in loans over four years. This is for illustrative purposes only; any restriction on the bill's appropriation may limit the office's ability to respond to high demand.

State Revenue

The bill reduces interest revenue earned on the Unclaimed Property Trust Fund. The amount of revenue depends on interest rates and other changes to the fund's balance. Assuming a 3 percent annual interest rate, the amount of revenue lost is estimated at \$3.0 million in FY 2025-26 and \$3.1 million in FY 2026-27. Over the 20-year lifespan of the loan, the total revenue lost is an estimated \$80.6 million. Interest earned on money in the Unclaimed Property Trust Fund is not subject to TABOR.

CEO may earn revenue from interest as part of the financing arrangements it makes with utilities. Because any such revenue depends on the terms of those agreements, it is not estimated here. Because the source of funds used is not subject to TABOR, the fiscal note assumes that any interest earned is likewise not subject to TABOR.

State Transfers

On July 1, 2025, the bill transfers \$100 million from the Unclaimed Property Trust Fund to the State Utility On-Bill Repayment Program Cash Fund. This transfer is in the form of an interest-free loan from the Unclaimed Property Trust Fund to the State Utility On-Bill Repayment Program Cash Fund. The loan must be repaid by July 1, 2045.

State Expenditures

Excluding loans issues through the new program, the bill increases state expenditures in the Colorado Energy Office by about \$600,000 in FY 2025-26 and \$500,000 in FY 2026-27 through FY 2028-29. Preliminarily, it is assumed that around \$24.5 million in loans will be issued annually over a four-year period. Costs in CEO, paid from the State Utility On-Bill Repayment Program Cash Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Department of Regulatory Agencies.

**Table 2
 State Expenditures
 Colorado Energy Office**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$360,952	\$360,952
Operating Expenses	\$4,096	\$4,096
Capital Outlay Costs	\$20,010	\$0
Financing Loans	\$24,500,000	\$24,500,000
Consultant	\$100,000	\$0
Legal Services	\$53,496	\$53,496
Centrally Appropriated Costs	\$73,324	\$73,324
FTE – Personal Services	3.2 FTE	3.2 FTE
FTE – Legal Services	0.2 FTE	0.2 FTE
Total Costs	\$25,111,878	\$24,991,868
Total FTE	3.4 FTE	3.4 FTE

Colorado Energy Office

The office will have staff and legal services costs beginning in FY 2025-26 to implement the bill.

Staff

CEO requires additional staff beginning in FY 2025-26 to establish policies and procedures for the new program, oversee loan applications and contracts, and conduct financial reviews. Standard operating and capital outlay costs are included.

Financing for Energy Efficiency or Electrification Measures

The fiscal note assumes CEO will make loans to utilities to finance energy efficiency or electrification measures over multiple years. Actual expenditures will depend on demand from utility customers up to about \$98 million.

Consultant

CEO requires consulting services in FY 2025-26 only to develop guidelines for program design, program eligibility, and monitoring and reporting practices.

Legal Services

CEO requires 400 hours of legal services to support policy development and contracting. Legal services are provided by the Department of Law at a rate of \$133.74 per hour.

Department of Regulatory Agencies

Requiring participating utilities to include an application with the Public Utilities Commission increases workload to conduct a new regulatory proceeding, likely in FY 2027-28. This can be accomplished within existing appropriations.

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.

TABOR Refunds

Funds in the Unclaimed Property Trust Fund are exempt from TABOR, but may become subject to TABOR when transferred to other funds to be used for governmental purposes. If CEO is unable to repay the loan in full, any unpaid balance will constitute a transfer to a state cash fund and that amount will count against the state's TABOR limit.

Technical Note

The bill limits CEO's administrative costs to 2 percent of the amount loaned from the Unclaimed Property Trust Fund, or \$2 million. Based on the costs identified in the fiscal note, CEO will reach this limit in about four years. If the limit is reached, either the limit must be raised or another source of funds will be required.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2025-26, the bill requires an appropriation of \$100,000,000 from the State Utility On-Bill Repayment Program Cash Fund to the Colorado Energy Office, and 3.2 FTE. Of this, \$53,496 is reappropriated to the Department of Law, with an additional 0.2 FTE. It is assumed roll-forward spending authority is required for this amount for at least five years or until all loans have been issued.

State and Local Government Contacts

Colorado Energy Office

Regulatory Agencies

Law

Treasury

Personnel

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](#).