



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 25-156: REDUCING COSTS OF STATE REGULATION

**Prime Sponsors:**

Sen. Rich  
Rep. Keltie

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

### Summary Information

**Overview.** The bill repeals several state programs and cash funds, and modifies rulemaking and requirements for occupational regulations.

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

- State Expenditures
- State Revenue
- State Transfers
- TABOR Refunds

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$2.3 million to multiple state agencies and a \$1.4 million decrease in appropriations to the Office of the Governor and the Department of Public Health and Environment. All other affected cash funds are continuously appropriated and do not require a change in appropriations. See State Appropriations Section for more detail.

**Table 1  
State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	-\$16.8 million	-\$16.5 million
State Expenditures	-\$47.2 million	-\$48.6 million
Transferred Funds	\$92.1 million	\$0
Change in TABOR Refunds	-\$11.8 million	-\$11.5 million
Change in State FTE	-20.2 FTE	-26.5 FTE

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

**Table 1A  
State Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$0	\$0
Cash Funds	-\$16,827,234	-\$16,551,256
<b>Total Revenue</b>	<b>-\$16,827,234</b>	<b>-\$16,551,256</b>

**Table 1B  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$1,980,579	\$882,193
Cash Funds	-\$49,224,367	-\$49,486,296
Federal Funds	\$0	\$0
Centrally Appropriated	\$292,906	\$134,864
<b>Total Expenditures</b>	<b>-\$47,243,788</b>	<b>-\$48,604,103</b>
<b>Total FTE</b>	<b>-20.2 FTE</b>	<b>-26.5 FTE</b>

**Table 1C  
State Transfers**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$92,124,978	\$0
Cash Funds	-\$92,124,978	\$0
<b>Net Transfer</b>	<b>\$0</b>	<b>\$0</b>

## Summary of Legislation

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The bill repeals several programs and funds, modifies occupational regulation and rulemaking, and establishes a civil cause of action for individuals to challenge state agency regulation.

### Program Repeals

The bill repeals the following entities in the Colorado Energy Office (CEO):

- the Clean Air Grant Program;
- the Cannabis Resource Optimization Cash Fund;
- the Community Access to Electric Bicycles Grant Program;
- the Energy Code Board;
- the Energy Code Adoption and Enforcement Grant Program;
- the Public Building Electrification Grant Program;
- the High-Efficiency Electric Heating and Appliances Grant Program; and
- the Clean Air Building Investments Fund.

The bill also repeals the following entities in the Colorado Department of Public Health and Environment (CDPHE):

- the Electrifying School Buses Grant Program;
- the Air Quality Enterprise;
- the Perfluoroalkyl and Polyfluoroalkyl Substances (PPSF) Cash Fund;
- the Perfluoroalkyl and Polyfluoroalkyl Substances (PPSF) Grant Program; and
- the Perfluoroalkyl and Polyfluoroalkyl Substances (PPSF) Take-Back Program.

In addition, the bill repeals the Environmental Response Surcharge, various civil penalties for violations of air quality control regulations; and various requirements for monitoring air toxins.

### Regulation

The bill prohibits state agencies from regulating an occupation unless it is necessary for public health, safety or welfare. By July 2026, state agencies must conduct a comprehensive review of all occupational regulations and include the following for each regulation:

- the public health, safety, and welfare objectives of the regulation;
- the reason why regulation is necessary to meet this objective;
- the regulation's impact on employment opportunities, consumer costs, market competition, and government costs;
- a comparison between the regulation and similar out-of-state regulations; and
- any statutory provisions necessitating the regulation.

If the state agency determines that an occupational regulation is not necessary for public health, safety, or welfare, and is not required by law, then the agency must repeal the regulation. If the occupational regulation is deemed unnecessary, but is required by law, then the agency must recommend legislation to the General Assembly to repeal the related statute.

By January 2027, state agencies must submit a report to the General Assembly of the reviews and subsequent actions taken.

## **Rulemaking**

For rulemaking filings related to occupational regulation, the bill requires state agencies to submit documentation that the regulation is necessary for public health, safety, or welfare.

## **Civil Action**

The bill permits an individual to file a petition with an agency to repeal or modify an occupational regulation if the regulation is not necessary for public health, safety, or welfare. An individual may also file a civil action challenging the adoption or enforcement of an occupational regulation.

## **Background**

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### **Clean Air Grant Program**

[Senate Bill 22-193](#) created the Industrial and Manufacturing Operations Clean Air Grant Program in the CEO to assist private entities, local governments, tribal governments, and public-private partnerships finance voluntary projects to reduce emissions of air pollutants from industrial and manufacturing operations. The Industrial and Manufacturing Operations Clean Air Grant Program Cash Fund received \$25 million from the General Fund in FY 2021-22 to administer the program and award grants over a four-year period. The program is set to repeal on September 1, 2029.

### **Cannabis Resource Optimization Cash Fund**

[Senate Bill 22-193](#) created the Cannabis Resource Optimization Cash Fund in the CEO to provide assessments financing, grants, credit enhancement offerings, and direct incentives to producers to reduce energy and water use, promote renewable energy, and encourage sustainable practices in cannabis operations. The cash fund received \$1.5 million from the General Fund in FY 2021-22.

### **Community Access to Electric Bicycles Grant Program**

[Senate Bill 22-193](#) created the Community Access to Electric Bicycles Grant Program in the CEO to finance bike share programs and ownership programs administered by local governments or nonprofit organizations. It also established a rebate program to purchase electric bicycles. The Community Access to Electric Bicycles Cash Fund received \$12 million from the General Fund in FY 2021-22 to administer the program and award grants over a four-year. The program is set to repeal on September 1, 2028.

## **Electrifying School Buses Grant Program**

[Senate Bill 22-193](#) created the Electrifying School Buses Grant Program in the CDPHE to assist school districts and charter schools finance the conversion and replacement of fossil-fuel powered school buses with electric-powered school buses. The Electrifying School Buses Grant Program Cash Fund received \$65 million from the General Fund in FY 2021-22 to administer the program and award grants over a four-year period. The program is set to repeal on September 1, 2034.

## **Clean Air Building Investments**

[House Bill 22-1362](#) created the High-Efficiency Electric Heating and Appliances Grant Program, Energy Code Adoption and Enforcement Grant Program, the Public Building Electrification Grant Program, and the Clean Air Building Investments Cash Fund in the CEO, as described below.

### **High-Efficiency Electric Heating and Appliances Grant Program**

The High-Efficiency Electric Heating and Appliances Grant Program awards grants to local governments, utilities, non-profit organizations, and housing developers to install high-efficiency electric heating equipment in certain structures within a neighborhood.

### **Public Building Electrification Grant Program**

The Public Building Electrification Grant Program awards grants to local governments, school districts, state agencies, and special districts to install high-efficiency electric heating equipment for space heating, water heating, and cooking.

### **Clean Air Building Investments Cash Fund**

The Clean Air Building Investments Cash Fund received \$20.85 million from the General Fund in FY 2022-23 to administer the grant programs and award grants. Of that amount, \$10 million was for the Public Building Electrification Grant Program and \$10.85 was for the High-Efficiency Electric Heating and Appliances Grant Program.

### **Energy Code Adoption and Enforcement Grant Program**

The Energy Code Adoption and Enforcement Grant Program awards grants and provides energy code training and technical assistance in multiple languages to assist local governments, state agencies, builders, and contractors in adopting and implementing the energy codes. It also created the Energy Code Board to administer the program. The Clean and Renewable Energy Fund received \$4.15 million from the General Fund in FY 2022-23 to administer the program and award grants over a two-year period.

## **Air Quality Enterprise**

[Senate Bill 20-204](#) created the Air Quality Enterprise in the CDPHE to conduct air quality modeling, monitoring, assessment, data analysis, and research. The enterprise collects emissions fees from several entities based on:

- air pollutant emission notices;
- per tonnage of regulated pollutants;
- per tonnage of hazardous pollutants; and
- per hour of permit processing.

Revenue from enterprise fees collected in the Air Quality Enterprise Cash Fund funds new air quality control programs.

## **Perfluoroalkyl and Polyfluoroalkyl Substance (PPSF) Program**

[Senate Bill 20-218](#) created a new fee on fuels products to fund a grant program and take-back program for Perfluoroalkyl and Polyfluoroalkyl Substances in the CDPHE, and to fund the provision of technical assistance to communities. It also provides funding for the Department of Safety (CDPS) and the Department of Transportation (CDOT) to address the safety of hazardous material transportation.

### **PPSF Cash Fund**

The Department of Revenue (DOR) collect a \$25 fee per tank truckload of fuel products delivered during the previous calendar month for sale or use in Colorado. Of the total amount collected annually, \$2 million is disbursed to the CDPS, 30 percent to the CDOT, and 70 percent to the PPSF Cash Fund. The PPSF Cash Fund in the CDPHE funds the PPSF Grant and Take-Back Programs.

### **PPSF Grant Program**

The CDPHE administers the PPSF Grant Program and awards grants to recipients for the following purposes:

- sampling, assessment, and investigation into PPSF in ground and surface water;
- funding water systems infrastructure used for the treatment of PPSF, and
- providing emergency assistance to communities and water systems affected by PPSF.

### **PPSF Take-Back Program**

The CDPHE also administers the PPSF Take-Back Program, which includes the identification, pricing, purchase, and proper disposal of PPSF-related materials.

## Air Toxics and Fenceline Monitoring Program

[House Bill 21-1189](#) required certain stationary sources of air pollutants and the CDPHE to conduct fenceline and community-based monitoring of air toxics. Covered facilities are required to pay an annual pro rata share of the direct and indirect costs of conducting community-based monitoring. Revenue from reimbursement is deposited into the Stationary Sources Control Cash Fund in the CPDHE.

## Cash Fund Appropriations

All cash funds discussed above are continuously appropriated, except for the Clean and Renewable Energy Cash Fund and Stationary Sources Control Cash Fund supporting the Energy Code Board and Air Toxins and Fenceline Monitoring Program, respectively. These funds are subject to annual appropriations.

## State Revenue

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The bill decreases state revenue by \$16.8 million beginning in FY 2025-26 to three cash funds, including one enterprise. Table 2 presents revenue reduction estimates by cash fund starting in FY 2025-26. Revenue is assumed to remain constant over time. The bill will also increase revenue from fees on regulated professions in DORA by \$276,000 starting in FY 2026-27.

**Table 2**  
**Revenue Impact by Fund**

<b>Fund</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Air Quality Enterprise	-\$5.0 million	-\$5.0 million
PPSF Cash Fund	-\$10.8 million	-\$10.8 million
Stationary Sources Control Cash Fund	-\$1.0 million	-\$1.0 million
Various DORA Cash Funds	\$0	\$0.3 million
<b>Total</b>	<b>-\$16.8 million</b>	<b>-\$16.5 million</b>
Total Subject to TABOR	-\$11.8 million	-\$11.5 million
Total Exempt from TABOR	-\$5.0 million	-\$5.0 million

### **Air Quality Enterprise**

The Air Quality Enterprise revenue will be reduced by \$5 million in FY 2025-26 and each year thereafter from the repeal of the program and corresponding Air Quality Enterprise Cash Fund. Fee revenue collected by the enterprise in the CDPHE is exempt from TABOR.

### **PPSF Cash Fund**

Revenue to the PPSF Cash Fund will be reduced from the repeal of the program. Of the \$10.8 million revenue decrease from fees on fuel products collected by the DOR in the PPSF Cash Fund, \$2 million is ultimately in the CDPS, \$2.1 million is in CDOT, and \$6.8 million is in the CDPHE for programs and initiatives related to water systems and the transportation of hazardous materials. These fees are subject to TABOR.

### **Stationary Sources Control Cash Fund**

Revenue from reimbursement paid to the state from covered facilities will decrease beginning in FY 2025-26 due to the repeal of the air toxics and fence line monitoring program in the CDPHE. Currently, four covered facilities reimburse the state about \$1 million total from these efforts, as is required in statute. These payments are subject to TABOR.

### **Fees on Regulated Professionals**

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. DORA levies fees on regulated professions to cover the administrative and legal costs incurred by occupational programs, and is assumed to increase fees to cover the bill's implementation costs.

In FY 2025-26 and FY 2026-27, expenditures in DORA will increase by an estimated \$799,000 in total, which will increase registration and renewal fees on regulated professionals. Starting in FY 2026-27, DORA will begin collecting about \$276,000 in additional fee revenue to cover these costs, paid to various cash funds in the department. Due to the wide array of regulated professional programs that may be repealed as a result of the bill, the fiscal note cannot estimate the fee impact on each licensed occupation. Actual fees will be set administratively by DORA based on cash fund balance, estimated program costs, and the estimated number of licensees subject to the fee. These fees are subject to TABOR.



## State Expenditures

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Starting in FY 2025-26, the bill decreases costs by repealing various programs discussed above. It will also increase state expenditures across several departments from the comprehensive review of occupational rules. Specifically, expenditures will:

- decrease in the CDPHE, Governor’s Office (CEO), Department of Education, Department of Public Safety, and Department of Transportation (CDOT) by about \$49.8 million in FY 2025-26 and FY 2026-27 from repealing current programs, as shown in Table 4A; and
- increase in 12 agencies by about \$2.6 million in FY 2025-26 and \$1.2 million in FY 2026-27 from rulemaking and review requirements, paid primarily from the General Fund and shown in Table 4B.

Workload will also minimally increase for multiple other agencies, as described below.

**Table 4**  
**State Expenditures**

<b>Impact</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>
Program Repeal	-\$49,870,782	-\$49,777,782
Rulemaking and Review	\$2,626,994	\$1,173,679
<b>Total Expenditures</b>	<b>-\$47,243,788</b>	<b>-\$48,604,103</b>

### Program Repeals

The bill repeals numerous programs, enterprises, and cash funds from the CEO and CDPHE, which decreases ongoing expenditures by about \$49.8 million in FY 2025-26 and FY 2026-27, as shown in Table 4A and described below. The estimated reductions in annual program expenditures are informed by the fiscal notes creating the program, the current cash fund balance for the relevant fund, and the number of years left until the program expires.

**Table 4A  
State Expenditures – Repeals by Program  
FY 2025-26**

<b>Program</b>	<b>Cash Fund</b>	<b>Department</b>	<b>Expenditures</b>	<b>FTE</b>
Clean Air Grant Program	Industrial and Manufacturing Operations Clean Air Grant Program	Governor’s Office (CEO)	-\$6,246,900	-1.6 FTE
Community Access to Electric Bicycles Grant Program	Community Access to Electric Bicycles Grant Program Fund	Governor’s Office (CEO)	-\$93,000	-1.3 FTE
Clean Air Building Investments	Clean Air Building Investments Cash Fund	Governor’s Office (CEO)	-\$562,582	-1.6 FTE
Clean Air Building Investments	Clean and Renewable Energy Fund	Governor’s Office (CEO)	-\$100,000	-1.0 FTE
Air Quality Enterprise	Air Quality Enterprise Cash Fund	CDPHE	-\$5,000,000	-1.8 FTE
Air Toxics and Fenceline Monitoring Program	Stationary Sources Control Cash Fund	CDPHE	-\$1,300,000	-4.1 FTE
PPSF Program	PPSF Cash Fund	CDPHE	-\$10,762,575	-21.0 FTE
Electrifying School Buses Grant Program	Electrifying School Buses Grant Program Cash Fund	CDPHE	-\$21,659,188	-5.0 FTE
Electrifying School Buses Grant Program	Electrifying School Buses Grant Program Cash Fund	CDE	-\$46,537	-0.5 FTE
PPSF Program	PPSF Cash Fund	CDPS	-\$2,000,000	0.0 FTE
PPSF Program	PPSF Cash Fund	CDOT	-\$2,100,000	0.0 FTE
<b>FY 2025-26 Total</b>			<b>-\$49,870,782</b>	<b>-37.9 FTE</b>
<b>FY 2026-27 Total</b>			<b>-\$49,777,782</b>	<b>-26.9 FTE</b>

### Clean Air Grant Program

Expenditures in the CEO will decrease by about \$6.2 million starting in FY 2025-26 from the elimination of 1.6 FTE in staff costs and grants through the Clean Air Grant Program. Expenditures in the program are set to repeal in FY 2029-30.

### Community Access to Electric Bicycles Grant Program

Expenditures in the CEO will decrease by about \$93,000 in FY 2025-26 only from the elimination of 1.3 FTE in staff costs and grants through the Community Access to Electric Bicycles Grant Program. Expenditures in the program are set to repeal in FY 2028-29; however, funding is only planned through FY 2025-26. Therefore, expenditures are only impacted for one year.

### Clean Air Building Investments

Expenditures in the CEO will decrease by about \$663,000 starting in FY 2025-26 from the elimination of 2.6 FTE in staff costs and grants through the High-Efficiency Electric Heating and Appliances Grant Program, Energy Code Adoption and Enforcement Grant Program, and the Public Building Electrification Grant Program.

### Air Quality Enterprise

Expenditures in the CDPHE will decrease by \$5 million and 1.8 FTE starting in FY 2025-26 and on an ongoing basis from the elimination of fee revenue and equivalent costs related to new air quality control programs.

### Air Toxics and Fenceline Monitoring Program

Expenditures in the CDPHE will decrease by \$1.3 million and 4.1 FTE starting in FY 2025-26 and on an ongoing basis from the elimination of fee revenue and equivalent costs to conduct fenceline and community-based monitoring of air toxics.

### PPSF Program

Expenditures in the CDPHE will decrease by \$10.7 million and 21.0 FTE starting in FY 2025-26 and on an ongoing basis from the elimination of PPSF fees revenue and equivalent costs to award grants and administer the programs. Expenditures will also decrease by \$2.0 million in the CDPS and \$2.1 million the CDOT starting in FY 2025-26 and on an ongoing basis to from the elimination of distributions to these agencies to address the safety of hazardous material transportation.

### Electrifying School Buses Grant Program

Expenditures in the CDPHE will decrease by \$21.7 million in FY 2025-26 and FY 2026-27 from the elimination of 5.0 FTE in staff costs and grants through the Electrifying School Buses Grant Program. Expenditures in the program are set to repeal in FY 2034-35; however, funding is only planned through FY 2026-27. Therefore, expenditures are only impacted for two years.

**Rulemaking and Review**

Expenditures will increase in the state agencies identified in Table 4B by about \$2.6 million in FY 2025-26 and \$1.2 million in FY 2026-27 for rulemaking and review, as described below.

**Table 4B  
State Expenditures – Rulemaking and Review  
FY 2025-26**

<b>Department</b>	<b>Staff Costs<sup>1</sup></b>	<b>Legal Costs</b>	<b>FTE - Personal Services</b>	<b>FTE – Legal Services</b>	<b>Total Expenditures</b>
Agriculture	\$38,584	\$54,566	0.3 FTE	0.2 FTE	\$93,150
Bridges	\$34,647	\$0	0.4 FTE	0.0 FTE	\$34,647
Early Childhood	\$56,409	\$135,077	0.4 FTE	0.6 FTE	\$191,486
Education	\$100,000	\$40,122	0.0 FTE	0.2 FTE	\$140,122
Governor’s Office (CEO)	\$542,657	\$0	3.7 FTE	0.0 FTE	\$542,657
Human Services	\$0	\$135,077	0.0 FTE	0.6 FTE	\$135,077
Labor and Employment	\$0	\$96,293	0.0 FTE	0.4 FTE	\$96,293
Law	\$0	\$13,374	0.0 FTE	0.1 FTE	\$13,374
Public Health and Environment	\$250,914	\$199,273	2.3 FTE	0.8 FTE	\$450,187
Regulatory Agencies	\$485,087	\$66,870	5.0 FTE	0.3 FTE	\$551,957
Revenue <sup>2</sup>	\$228,753	\$54,833	1.3 FTE	0.2 FTE	\$283,586
State	\$94,458	\$0	1.0 FTE	0.0 FTE	\$94,458
<b>FY 2025-26 Total</b>	<b>\$1,831,509</b>	<b>\$795,485</b>	<b>14.4 FTE</b>	<b>3.3 FTE</b>	<b>\$2,626,994</b>
<b>FY 2026-27 Total, Prorated<sup>3</sup></b>	<b>\$586,160</b>	<b>\$587,519</b>	<b>7.7 FTE</b>	<b>2.4 FTE</b>	<b>\$1,173,679</b>

<sup>1</sup> Centrally appropriated costs are included in staff cost estimates  
<sup>2</sup> DOR staff costs include costs to remove the PPFS fee from the GenTax system  
<sup>3</sup> FY 2026-27 is prorated to a half year impact.

**Staff**

Starting in FY 2025-26, expenditures in many state departments will increase to conduct comprehensive reviews of occupational rules, compile reports for the General Assembly, and respond to petitions or civil action filed against the agency. To perform these tasks, state departments require a total of 14.4 FTE in FY 2025-26 and 7.7 FTE in FY 2026-27, increasing expenditures by \$1.8 million and about \$586,000 respectively. Staff costs and FTE are prorated in the first year based on the bill’s effective date and conclude January 2027 upon submitting reports to the General Assembly.

Expenditures are paid from the General Fund for all agencies, except that costs in the Department of State are paid from the Department of State Cash Fund and costs incurred in the Department of Regulatory Agencies is paid from the Division of Professions and Occupations Cash Fund.

### Legal Services

Beginning in FY 2025-26, state agencies will require about 5,950 hours of legal services, which equates to 3.3 FTE in the Department of Law, allocated as follows:

- 408 hours to the Department of Agriculture;
- 1,010 hours to the Department of Early Childhood;
- 300 hours to the Department of Education;
- 1,010 hours to the Department of Human Services;
- 720 hours to the Department of Labor and Employment;
- 1,490 hours to the Department of Public Health and Environment;
- 410 hours to the Department of Revenue
- 500 hours to the Department of Regulatory Agencies; and
- 100 hours to the Department of Law.

Legal counsel is related to rulemaking, comprehensive reviews, and actions filed against departments on occupational regulations. Legal services are provided at a rate of \$133.74 per hour.

### Minimal Agency Impacts

Workload in the Judicial Department, the Behavioral Health Administration, and the Departments of Personnel and Administration, Natural Resources, and Local Affairs will minimally increase to conduct comprehensive reviews of occupational rules. The number of relevant rules in these departments is expected to be minimal; therefore, workload can be accomplished within existing appropriations. The Judicial Department may also have an increase in trial court workload related to civil actions filed. No change in appropriations is required.

### Indeterminate Agency Impacts

If individuals file injunctions against the adoption or enforcement of occupational regulations related to Medicaid providers, expenditures in the Department of Health Care Policy and Financing (HCPF) may increase to review petitions and rules. If certain occupational regulations are repealed, HCPF may fall out of compliance with federal Medicaid regulations and lose federal funding. HCPF may also require additional legal services hours related to this work. Due to the wide array of provider types and decisions made by individuals, the fiscal note cannot estimate these costs.

## 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, indirect cost assessments, and other costs, are included in staff costs in Table 4A.

## State Transfers

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The bill does not clarify how cash funds repealed by the bill will be closed out or how fund balances are treated. The fiscal note assumes that any cash fund balances will be transferred to the General Fund upon repealing the relevant statute. Table 3 shows fund balances as of February 2025 and the estimated amount that will transfer to the General Fund in FY 2025-26. Transfers amounts are estimates only and may change depending on the cash fund balances at the time of repeal.

**Table 3**  
**Assumed Transfers to General Fund**  
**FY 2025-26**

<b>Fund Name</b>	<b>Amount Transferred</b>
Electrifying School Buses Grant Program Cash Fund	\$53.4 million
Air Quality Enterprise Cash Fund	\$4.4 million
PPSF Cash Fund	\$6.2 million
Industrial and Manufacturing Operations Clean Air Grant Program Cash Fund	\$17.0 million
Community Access to Electric Bicycles Cash Fund	\$93,000
Clean Air Building Investments Cash Fund	\$11.0 million
<b>Total Transfers to General Fund</b>	<b>\$92.1 million</b>

The bill also repeals the Cannabis Resource Optimization Cash Fund; however, the current balance is over-encumbered by about \$63,000. The fiscal note assumes that the debt will be paid or the encumbrance adjusted before the cash fund repeals and that the balance at the time of repeal will be \$0. Therefore, no transfer is anticipated.

## **TABOR Refunds**

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The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$11.8 million in FY 2025-26 and \$11.5 million in FY 2026-27. 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, decreased cash fund revenue will increase the amount of General Fund available to spend or save.

## **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 Appropriations**

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### **Program Repeals**

For FY 2025-26, the bill requires a reduction in cash fund appropriations totaling \$1,400,000 as follows:

- \$100,000 from the Clean and Renewable Energy Fund in the Office of the Governor, and 0.1 FTE; and
- \$1,300,000 from the Stationary Sources Control Cash Fund in the Department of Public Health and Environment, and 4.1 FTE.

No change in appropriations is required for the Industrial and Manufacturing Operations Clean Air Grant Program Cash Fund, Community Access to Electric Bicycles Grant Program Cash Fund, Clean Air Building Investments Cash Fund, Air Quality Enterprise Cash Fund, PPSF Cash Fund, or the Electrifying School Buses Grant Program Cash Fund because these funds are continuously appropriated to their respective departments.

### **Rulemaking and Review**

For FY 2025-26, the bill requires General Fund appropriations totaling \$1,799,307 to multiple agencies, as allocated below:

- \$27,764 to the Bridges Program in the Judicial Department, and 0.4 FTE;
- \$86,457 to the Department of Agriculture, and 0.3 FTE. Of this amount, \$54,566 is reappropriated to the Department of Law with an additional 0.2 FTE;

- \$140,122 to the Department of Education. Of this amount, \$40,122 is reappropriated to the Department of Law with an additional 0.2 FTE;
- \$254,583 to the Department of Revenue, and 1.3 FTE. Of this amount, \$54,833 is reappropriated to the Department of Law with an additional 0.2 FTE;
- \$182,751 to the Department of Early Childhood, and 0.4 FTE. Of this amount, \$135,077 is reappropriated to the Department of Law with an additional 0.6 FTE;
- \$404,650 to the Department of Public Health and Environment, and 2.3 FTE. Of this amount, \$199,273 is reappropriated to the Department of Law with an additional 0.8 FTE;
- \$458,236 to the Office of the Governor, and 3.7 FTE;
- \$13,374 to the Department of Law, and 0.1 FTE;
- \$135,077 to the Department of Human Services, all of which is reappropriated to the Department of Law with 0.6 FTE; and
- \$96,293 to the Department of Labor and Employment, all of which is reappropriated to the Department of Law with 0.4 FTE.

For FY 2025-26, the bill requires the following cash fund appropriations, totaling \$534,781:

- \$77,543 from the Department of State Cash Fund to the Department of State; and
- \$457,238 from the Division of Professions and Occupations Cash Fund to the Department of Regulatory Agencies, and 5.0 FTE. Of this amount, \$66,870 is reappropriated to the Department of Law with an additional 0.3 FTE.

## **State and Local Government Contacts**

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All State Agencies