



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Summary

Date: April 10, 2024 **Fiscal Analyst:** Matt Bishop (303-866-4796)

LCS TITLE: REGULATION OF INDIRECT SOURCES

Fiscal Summary of Initiative 282

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at leg.colorado.gov/bluebook. This fiscal summary identifies the following impact.

State revenue. The measure is expected to increase state cash fund revenue by up to \$1.4 million per year beginning in FY 2025-26. This revenue is subject to TABOR. Permit applicants and operators pay fees depending on the type of permit sought, the amount of emissions allowed, and the time required for the Department of Public Health and Environment (CDPHE) to process the permit. This fee revenue accrues to the Stationary Sources Control Fund. The fiscal summary assumes that CDPHE will adjust its fees as necessary in FY 2024-25 to generate revenue that covers its costs beginning in FY 2025-26. In addition, CDPHE may assess new fees on indirect sources.

State expenditures. The measure increases state expenditures by about \$1.4 million and 7.7 FTE in FY 2024-25, \$1.5 million and 9.1 FTE in FY 2025-26, and \$1.4 million and 9.1 FTE in FY 2026-27 and ongoing, paid from the General Fund, the Stationary Sources Control Fund, and, to a lesser extent, the Energy and Carbon Management Fund. Expenditures increase in CDPHE to regulate indirect sources of air pollution and to create new emissions budgets, in the Colorado Energy Office to participate in rulemaking activities, and in the Department of Natural Resources to develop the annual ozone season nitrogen oxide emissions budget.

Economic impacts. The measure increases fees on sources of air pollution, including indirect sources, which may reduce economic activity among entities that pay those fees, or increase costs for consumers. If the measure causes a net reduction in air pollution, residents may experience health benefits that positively impact the economy through fewer sick days or increased productivity.