



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note Memorandum

TO: House Transportation & Local Government Committee
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Fiscal Assessment of L.001 to HB25-1032

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.001 to HB25-1032. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact. Due to time constraints, this assessment is preliminary and will be updated in a revised future fiscal note as more information becomes available.

Summary of Proposed Amendment

Amendment L.001 makes several changes to House Bill 25-1032. Specifically, it:

- moves the Colorado Interagency Council on Homelessness created by House Bill 25-1032 to the Department of Local Affairs (DOLA) from the Governor's Office;
- allows DOLA to use up to \$75,000 to contract with a nonprofit organization to support the Council;
- removes the requirement that DOLA convene the Continuum of Care organizations; and
- allows local governments to create Multijurisdictional Homelessness Response Authorities to reduce and prevent homelessness (rather than creating special districts for homelessness response as permitted in the introduced bill).



Fiscal Impact of Amendment

Amendment L.001 eliminates or reduces several fiscal impacts outlined in the published fiscal note, as described below.

Department of Local Affairs

Relative to the fiscal note for the introduced bill, Amendment L.001 reduces costs for DOLA to support the Interagency Council on Homelessness. Specifically, the amendment eliminates costs in the Governor's Office (a reduction of between \$110,000 and \$117,000 per year) and reduces costs in DOLA from between around \$120,000 per year to \$75,000.

Department of Revenue

Amendment L.001 eliminates potential costs in the Department of Revenue to set up tax collection for new special districts (around \$106,000 per special district) and instead potentially increases workload for the department to adjust local sales tax rates if local governments levy a new sales tax to support a multijurisdictional homelessness response authority.

Local Government

The amendment shifts the impact of creating entities for homelessness response from a new type of special district (under the introduced bill) to existing local governments such as cities and counties. Creation of homelessness response authorities pursuant to Amendment L.001 will increase workload and costs for affected local governments that decide to enter into an agreement to form a multijurisdictional authority. Subject to voter approval, local governments may raise additional sales tax revenue to support these authorities.

Bill's Revised Fiscal Impact with Amendment

With Amendment L.001, the bill is expected to increase state expenditures in DOLA by \$75,000 annually, paid from the General Fund. This impact is shown in Table 1 below. Further, as discussed above, the bill with Amendment L.001 would also impact local governments such as cities and counties that choose to form multijurisdictional homelessness response authorities, and workload may increase in the Department of Revenue if local governments levy additional sales tax.



Table 1
State Fiscal Impacts with Amendment L.001

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$75,000	\$75,000
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

