



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 25-037: COAL TRANSITION GRANTS

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**Prime Sponsors:**

Sen. Roberts; Kirkmeyer  
Rep. Taggart; Mauro

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**Published for:** House Second Reading

**Drafting number:** LLS 25-0446

**Version:** Third Revised Note

**Date:** April 18, 2025

**Fiscal note status:** The revised fiscal note reflects the reengrossed bill, as amended by the House Business Affairs and Labor Committee.

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### Summary Information

**Overview.** The bill specifies and updates how the state prioritizes grants to local governments and extends a reporting deadline for the Colorado Energy Office.

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

- Minimal State Expenditures
- Local Government

**Appropriations.** No appropriation is required.

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

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

## Summary of Legislation

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Under current law, the Just Transition Office in the Department of Labor and Employment (CDLE) funds programs for targeted investment in coal transition communities, with a focus on tier one communities. The bill directs the office to also prioritize investments in tier two communities, which are communities without coal infrastructure but still indirectly impacted by coal closures. It also clarifies the grant application process and requires the office to report on the grant program to the General Assembly. The bill makes existing funding available for coal transition workforce assistance programs for an additional three years, through FY 2029-30.

The Department of Local Affairs (DOLA) may establish a policy giving preference to coal transition communities from 2026 through 2028 for grants it makes from existing severance tax programs.

The bill exempts funds received from a payment or settlement to offset community impacts from the closure of a coal mine or coal power plant from the state's investment restrictions.

The Colorado Energy Office is conducting a study on advanced energy solutions in rural Colorado. The bill extends the office's deadline to report on its findings from July 1, 2025, to December 19, 2025, pending the availability of federal funds.

Under current law, a municipality can acquire or construct a utility operation only with voter approval, except for a waterworks. The bill exempts electric light works, heating and cooling works, and distribution systems for heating and cooling derived from certain renewable resources from the voter-approval requirement.

## State Expenditures

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### Department of Labor and Employment

Workload will increase in the Just Transition Office to update its grantmaking procedures and to deliver annual reports to the General Assembly. This can be accomplished within existing appropriations.

### Department of Local Affairs

Workload may increase in DOLA to update policies for existing grant programs. The bill does not affect the overall funding available for the programs and no change in appropriations is required.

### Colorado Energy Office

Extending the reporting deadline shifts some workload from the current FY 2024-25 to FY 2025-26. No change in appropriations is required.

## **Local Government**

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Municipalities and counties are primary recipients of CDLE's and DOLA's grants, and the overall availability of funds is unchanged. By expanding how CDLE and DOLA prioritize grants to coal transition communities, the bill may affect which local government projects are funded within existing funding levels.

The bill may reduce expenditures for municipalities that no longer need to seek voter approval for certain municipal utility operations.

## **Effective Date**

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

## **State and Local Government Contacts**

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Colorado Energy Office  
Labor

Local Affairs  
Public Health and Environment