



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

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<b>Drafting Number:</b>	LLS 23-0615	<b>Date:</b>	March 17, 2023
<b>Prime Sponsors:</b>	Rep. Mauro; Valdez Sen. Priola; Winter F.	<b>Bill Status:</b>	House Energy & Environment
		<b>Fiscal Analyst:</b>	Matt Bishop   303-866-4796 matt.bishop@coleg.gov

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**Bill Topic:** ELECTRIC VEHICLE CHARGING & PARKING REQUIREMENTS

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**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill includes a number of provisions to incentivize the expansion of electric vehicle charging infrastructure. It increases state expenditures and potential state revenue, and may decrease local revenue, beginning in FY 2023-24.

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**Appropriation Summary:** No appropriation is required.

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**Fiscal Note Status:** The fiscal note reflects the introduced bill.

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## Summary of Legislation

The bill includes a number of provisions concerns electric vehicle charging stations, including electric code requirements, local parking regulations, property tax provisions, and potential charging stations at rest areas.

**Electric code.** The State Electrical Board must adopt rules requiring that applicants for an electrical permit must comply with the Model Electric Ready and Solar Ready Code, which requires multifamily buildings to have charging equipment installed. These rules, which are effective January 1, 2024, supersede any local government zoning codes.

**Local parking regulations.** Current law prohibits a lease agreement or a homeowner's association from preventing the tenant from installing an electric vehicle charging station on leased or owned property. The bill expands the prohibition to parking spaces that are assigned to the resident or otherwise available to the resident. It further prohibits parking restrictions for plug-in vehicles.

The bill specifies how parking spaces served by charging stations must be counted towards local government minimum parking requirements. It also prohibits local governments from prohibiting the installation or utilization of charging stations except when addressing safety concerns.

**Property tax exemption.** From tax years 2023 through 2029, electric vehicle charging stations are exempt from property tax.

**Charging stations at rest areas.** Current federal law prohibits commercial services along interstate highway right-of-ways, including rest areas. If federal law changes to allow electric vehicle charging stations in these locations, the Department of Transportation may develop such projects.

## State Revenue and Expenditures

The bill increases workload in several state agencies, mainly in FY 2023-24, as described below. Revenue may also minimally increase from any civil cases filing fees.

**Department of Regulatory Agencies.** The bill increases workload for the State Electrical Board to adopt rules, with support from legal services provided by the Department of Law. This workload is expected to be minimal and no change in appropriations is required.

**Judicial Department.** The rules adopted by the State Electrical Board and any prohibitions imposed by a local government are subject to judicial review. In addition, allowing tenants and homeowner's association members to install electrical vehicle charging stations in more places may lead to additional civil filings. In each case, instances of judicial review or civil cases are expected to be minimal and no change in appropriations is required. Filing fee revenue is subject to TABOR.

**Department of Transportation.** If changes to federal law permit the department to pursue additional projects, workload may increase. Any change in expenditures will be addressed through the annual budget process.

**School finance.** A reduction in property tax revenue to school districts requires an increase in the state share of total program funding for school finance. Existing data on property tax assessments cannot identify the contributions from electric vehicle charging stations specifically. While the fiscal note cannot estimate a potential change in revenue, it is expected to be minimal and any changes will be addressed through the annual budget process. School finance expenditures may be paid from the General Fund, the State Education Fund, the State Public School Fund, or a combination of these funds.

## Local Government and School Districts

**Parking regulations.** The bill may increase workload for counties and municipalities to update ordinances on local parking regulations. This workload is expected to be minimal.

**Property tax exemption.** The bill will decrease local government revenue from the charging station property tax exemption. The impact on each local government will depend on the amount of exempt property located in the taxing jurisdiction. Currently, it is not possible to estimate the amount of lost property tax revenue from the exemption. It is likely, though not certain, that any reduction in the local share of school district revenue will be offset by an increase in the state share.

## Effective Date

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

## State and Local Government Contacts

Counties  
Judicial  
Revenue

County Assessors  
Law  
Transportation

Information Technology  
Regulatory Agencies