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Final Fiscal Note

Drafting Number: LLS 24-0838 Date: July 16, 2024
Prime Sponsors: Sen. Hansen; Fenberg Bill Status: Signed into Law
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Bill Topic: LOCAL GOVERNMENTS RENEWABLE ENERGY PROJECTS

Summary of Fiscal Impact:
State Revenue [] State Transfer [] Local Government [x]
State Expenditure [x] TABOR Refund [] Statutory Public Entity []

The bill requires that the Department of Natural Resources provide technical support to local and tribal governments related to renewable energy projects, and requires that the Department of Local Affairs and the Governor's Energy Office jointly develop a repository of model codes and ordinances for renewable energy projects. The bill increases state expenditures and may decrease local workload beginning FY 2024-25.

Appropriation Summary: For FY 2024-25, the bill includes appropriations totaling \$403,481 to the Department of Natural Resources.

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under SB 24-212

Table with 3 columns: Category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (Cash Funds, Federal Funds, Centrally Appropriated, Total Expenditures), Total FTE, Transfers, and Other Budget Impacts.

Summary of Legislation

The bill requires certain state agencies to provide technical support to project developers, local governments, and tribal governments for renewable energy projects. Local or tribal governments may request support from the Energy and Carbon Management Commission in the Department of Natural Resources (DNR) about the development of local codes for renewable energy projects or the review of proposed projects. The Colorado Parks and Wildlife (CPW) in DNR must provide, upon request, best management practices to avoid, minimize, and mitigate wildlife impacts of renewable energy projects.

No later than June 30, 2025, the DNR, the Colorado Energy Office (CEO), and the Department of Local Affairs (DOLA) must collaborate on a repository of model codes and ordinances that local and tribal governments may consider. Finally, the CEO must submit a report to the General Assembly by September 30, 2025, that evaluates solar and wind energy projects parameters, including siting, streamlined development, and other impacts.

The bill prohibits local governments from granting permits for renewable energy facilities on tribal lands without consent from the tribal government.

State Expenditures

The bill increases state expenditures in the Department of Natural Resources by about \$465,000 in FY 2024-25, and by about \$530,000 in FY 2025-26, paid from the Wildlife Cash Fund and the Energy and Carbon Management Cash Fund. It also increases state expenditures in the Colorado Energy Office by about \$85,000 in FY 2024-25 only, paid from federal funds. The bill also increases workload in the Department of Local Affairs. Expenditures are shown in Table 2 and detailed below.

**Table 2
Expenditures Under SB 24-212**

	FY 2024-25	FY 2025-26
DNR – Energy Carbon Management Commission		
Personal Services	\$87,796	\$109,745
Operating Expenses	\$1,024	\$1,280
Capital Outlay Costs	\$6,670	-
Centrally Appropriated Costs ¹	\$14,895	\$18,619
FTE – Personal Services	0.8 FTE	1.0 FTE
ECMC Subtotal	\$110,385	\$129,644
DNR – Colorado Parks and Wildlife		
Personal Services	\$274,481	\$330,036
Operating Expenses	\$3,200	\$3,840
Capital Outlay Costs	\$20,010	-
Vehicle Lease	\$3,694	\$11,080
Vehicle Operating	\$6,606	\$6,606
Centrally Appropriated Costs ¹	\$46,559	\$55,933
FTE – Personal Services	2.5 FTE	3.0 FTE
CPW Subtotal	\$354,550	\$407,494
Colorado Energy Office²		
Personal Services	\$29,346	-
Study of Local Government Renewable Energy Projects	\$50,000	-
Centrally Appropriated Costs ¹	\$5,252	-
FTE – Personal Services	0.2 FTE	-
CEO Subtotal	\$84,598	-
Total	\$549,533	\$537,139
Total FTE	3.5 FTE	4.0 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

² These expenditures are from federal funds, which are not included in the bill's appropriation.

Department of Natural Resources. The bill increases expenses for Colorado Parks and Wildlife and the Energy and Carbon Management Commission. The DNR will require 3.3 FTE in FY 2024-25, which annualizes to 4.0 FTE beginning FY 2025-26 to support local governments, tribal governments, and facility owners in the development of renewable energy projects—with 3.0 FTE at the CPW and 1.0 FTE at ECMC. Staffing estimates are based on the volume of requests currently being received by DNR for assistance related to the state’s greenhouse gas emission reduction goals. For FY 2024-25, this volume is anticipated to increase by 30 percent compared to the baseline set of requests received in FY 2021-22 and FY 2022-23. Beginning FY 2025-26, request volume is estimated to increase by 20 percent annually thereafter.

Colorado Energy Office. The CEO will add 0.2 FTE Senior Policy Lead to develop a study and publish a repository of model codes and ordinances in coordination with the Department of Local Affairs. Workload includes data collection, stakeholder outreach, departmental collaboration, and drafting and publishing. The CEO will also contract with outside experts for \$50,000 to prepare the final product. CEO’s expenses are paid by federal block grants from the Department of Energy.

Department of Local Affairs. DOLA will have an increase in workload to collaborate with other departments to develop and publish a repository of model codes and ordinances that local and tribal governments may consider. This effort does not require new appropriations.

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 include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Local Government

The bill may decrease workload in any local government that uses technical support or model codes to facilitate the development of renewable energy projects.

Effective Date

The bill was signed into law by the Governor on May 21, 2024, and it takes effect August 7, 2024, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires the following cash fund appropriations:

- \$95,490 from the Energy and Carbon Management Cash Fund to the Department of Natural Resources, and 0.7 FTE; and,
- \$307,991 from the Wildlife Cash Fund to the Department of Natural Resources, and 2.5 FTE.

State and Local Government Contacts

Colorado Energy Office

Local Affairs

Natural Resources

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).