



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1032: IMPROVING INFRASTRUCTURE TO REDUCE HOMELESSNESS

---

**Prime Sponsors:**

Rep. Rutinel

**Fiscal Analyst:**

Shukria Maktabi, 303-866-4720

shukria.maktabi@coleg.gov

**Published for:** House Trans. & Local Govt.

**Drafting number:** LLS 25-0416

**Version:** Initial Fiscal Note

**Date:** February 10, 2025

**Fiscal note status:** The fiscal note reflects the introduced bill.

---

### Summary Information

**Overview.** The bill takes several measures to reduce and prevent homelessness, including creating a new interagency council on homelessness and allowing for the creation of a new type of special district for homelessness response.

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

- State Expenditures
- Local Government

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$191,665 to multiple agencies.

---

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

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$229,167	\$241,252
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	1.7 FTE	1.9 FTE

**Table 1A  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
General Fund	\$191,665	\$199,335
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$37,502	\$41,917
<b>Total Expenditures</b>	<b>\$229,167</b>	<b>\$241,252</b>
<b>Total FTE</b>	<b>1.7 FTE</b>	<b>1.9 FTE</b>

## Summary of Legislation

---

The bill takes several measures to reduce and prevent homelessness, including creating a new interagency council on homelessness, convening various state and local stakeholders regarding homelessness, and allowing the formation of a new type of special district for homelessness response.

### Interagency Council on Homelessness

The bill creates the Interagency Council on Homelessness within the Governor’s Office and an advisory council to support its work. The Interagency Council, made up of representatives from various state agencies, is responsible for coordinating a homelessness response between state and local partners, creating an outreach campaign, and increasing resources for individuals experiencing homelessness. The advisory council, comprised of individuals with experience working to prevent homelessness, provides support to the Interagency Council. Both councils must meet at least once a month and submit an annual report by January 26 of each year. The councils repeal September 1, 2027, subject to a review by the General Assembly.

### Continuum of Care Organization Convening

The bill requires the Department of Local Affairs (DOLA) to convene local Continuum of Care organizations (designated nonprofits providing homelessness services under current law) every four months to improve homelessness data reporting, identify gaps in care, and improve homelessness efforts. The organizations must report on findings and activities by January 26 of each year. This provision repeals September 1, 2027, subject to General Assembly review.

### Regional Homelessness Response Districts

The bill allows counties and municipalities to form special regional districts to reduce and prevent homelessness. The bill outlines the requirements for forming a regional homeless response district, including filing requirements with the Department of Revenue (DOR), and the

process of organizing and dissolving a district, submitting a district service plan, voting in district elections, and the financial and taxing powers of a district which include the right to levy sales and use tax, upon receipt of voter approval. The bill also allows county clerks and recorders to allocate funds collected from documentary filing fees for housing agencies to develop, preserve, or acquire affordable housing.

## State Expenditures

---

The bill increases state expenditures by approximately \$229,000 in FY 2025-26 and \$241,000 in FY 2026-27 and future years. These costs will be incurred in the Department of Local Affairs and the Governor's Office, as shown in Table 2 and described in the sections below. Costs are paid from the General Fund. The bill also affects workload in the DOR and Judicial Department, as well as other agencies participating in the Interagency Council.

**Table 2**  
**State Expenditures**  
**All Departments**

<b>Department</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Department of Local Affairs	\$118,582	\$124,347
Governor's Office	\$110,585	\$116,905
<b>Total Cost</b>	<b>\$229,167</b>	<b>\$241,252</b>

## Department of Local Affairs

### Staff

Beginning in FY 2025-26, DOLA requires 1.0 FTE to convene the Continuums of Care organizations. The staff will oversee the quarterly meetings, including creating agendas and materials, facilitating meetings, and creating annual reports. Staff costs assume an August 1, 2025 start date.

### Division of Local Government

The bill also minimally increases workload in DOLA's Division of Local Government to update special district publications, provide guidance to any newly created districts, and to collect financial reporting information from the district. This workload can be accomplished within existing appropriations.

**Table 2A  
State Expenditures  
Department of Local Affairs**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$91,106	\$101,229
Operating Expenses	\$1,152	\$1,280
Capital Outlay Costs	\$6,670	\$0
Centrally Appropriated Costs	\$19,654	\$21,838
<b>Total Costs</b>	<b>\$118,582</b>	<b>\$124,347</b>
<b>Total FTE</b>	<b>0.9 FTE</b>	<b>1.0 FTE</b>

**Governor’s Office**

Beginning in FY 2025-26, the Governor’s Office requires 0.9 FTE to implement and support the Interagency Council. This includes planning and facilitating monthly meetings for the two councils, providing analysis and support as needed, and developing the annual report of activities and recommendations. The Governor’s Office of Boards and Commissions will also have staffing costs of around \$4,400 initially in FY 2025-26 to appoint 11 members to the council, which can be absorbed within existing appropriations. Staff costs assume an August 1, 2025 start date.

**Table 2B  
State Expenditures  
Governor’s Office**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
Personal Services	\$85,043	\$95,674
Operating Expenses	\$1,024	\$1,152
Capital Outlay Costs	\$6,670	\$0
Centrally Appropriated Costs	\$17,848	\$20,079
<b>Total Costs</b>	<b>\$110,585</b>	<b>\$116,905</b>
<b>Total FTE</b>	<b>0.8 FTE</b>	<b>0.9 FTE</b>

## **Department of Revenue**

Conditional upon the creation of a new special district and approval by voters of sales and use tax, DOR will require \$106,000 for each new special district established to collect and enforce the tax and distribute it to the district on a monthly basis. Costs include programming, testing, and implementation of the new tax in the department's DRIVES and GenTax systems. As actual expenditures will depend on local government actions, the fiscal note assumes DOR will seek any additional funding through the annual budget process.

## **Judicial Department**

This bill increases trial court workload by a minimal amount for the courts to review and approve any petitions submitted to create a new special district. If petitions are filed challenging the creation of the district, workload will further increase. This impact is assumed to be minimal and absorbable within existing appropriations.

## **Other Agency Impacts**

Workload will minimally increase for state agencies to participate in the Interagency Council, including the Behavioral Health Administration, Department of Corrections, Department of Education, Department of Health Care Policy and Financing, Department of Human Services, Department of Public Health and Environment, and Department of Public Safety. This workload is expected to be minimal and can be accommodated within existing resources.

## **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 the expenditure table(s) above.

## **Local Government**

---

If cities and counties take action to create a new special district, this bill will increase workload and costs for those jurisdictions, including holding required election to form the district or levying a new tax. If a new homelessness response district is created, revenue and costs for the new district will increase. Any increase in sales and use tax revenue to a new district will require the approval of voters within the affected jurisdictions. Any future impacts will vary based on the size of the district, voter authorized revenue, and services offered. If a new district is formed, it will likely have a variety of costs for staffing, contracting, operating, and capital outlay. Lastly, if so approved by a county, the bill also allows certain filing fee revenue to be used for affordable housing purposes.

## Effective Date

---

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

---

For FY 2025-26, the bill requires the following General Fund appropriations, totaling \$191,665:

- \$98,928 and 0.9 FTE to the Department of Local Affairs; and
- \$92,737 and 0.8 FTE to the Governor’s Office.

## Departmental Difference

---

DOLA estimates 2.9 FTE will be required to convene the Continuums of Care organizations, to provide policy analysis, perform data reporting and evaluation, and bring in relevant subject matter experts and stakeholders. Based on the bill’s language, the fiscal note assumes fewer FTE will be needed, as DOLA will provide general oversight of the meetings and the majority of discussion, analysis, and recommendations will be developed and led by the organizations. The fiscal note also assumes existing Division of Housing staff have the expertise to provide support for meetings of these organizations as needed.

## State and Local Government Contacts

---

Behavioral Health Administration	Human Services
Corrections	Judicial
Counties	Local Affairs
County Clerks	Municipalities
District Attorneys	Public Health and Environment
Education	Public Safety
Governor	Revenue
Health Care Policy and Financing	Special District Association

---

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](#).