



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1032: IMPROVING INFRASTRUCTURE TO REDUCE HOMELESSNESS

Prime Sponsors:

Rep. Rutinel

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Fiscal note status: This revised fiscal note reflects the introduced bill, as amended by the Senate Transportation, Housing, and Local Government Committee.

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 multijurisdictional homelessness response authorities.

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 \$75,000 to the Department of Local Affairs.

Table 1
State Fiscal Impacts

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

Summary of Legislation

The bill takes several measures to reduce and prevent homelessness, including creating a new interagency council on homelessness and allowing the formation of a multijurisdictional housing response authorities.

Interagency Council on Homelessness

The bill creates the Interagency Council on Homelessness in the Department of Local Affairs (DOLA). The council, made up of representatives from various state agencies, must make recommendations to the General Assembly on coordinating a homelessness response between state and local partners, setting statewide strategy for homelessness resolution, and increasing resources for individuals experiencing homelessness. DOLA, or a contracted entity, must provide administrative support and convene the council at least once every month. The costs for the contracted entity must be no more than \$75,000 a year. The council must submit an annual report by January 26 of each year.

The bill also creates an advisory committee, comprised of individuals with experience working to prevent homelessness, to provide support to the Interagency Council. The advisory committee must meet no less than once every three months.

The council and committee repeal September 1, 2027, subject to a review by the General Assembly. DOLA may use gifts, grants, and donations to support the council.

Multijurisdictional Homelessness Response Authority

The bill allows local governments to establish multijurisdictional homeless response authorities to reduce and prevent homelessness. The bill outlines the requirements for forming an authority and the financial and taxing powers of an authority which include the right to levy sales tax, upon receipt of voter approval.

State Revenue

The bill potentially increases state revenue to DOLA from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

State Expenditures

The bill increases state expenditures by \$75,000 beginning in FY 2025-26. These costs will be incurred in the Department of Local Affairs, 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 other agencies participating in the Interagency Council.

Department of Local Affairs

Beginning in FY 2025-26, DOLA requires \$75,000 to contract an entity to implement and support the Interagency Council. This includes facilitating meetings for the councils and committee, providing analysis and support as needed, and developing the annual report of activities and recommendations. The fiscal note assumes the department will contract within this amount; however, if DOLA is unable to secure a contractor within the \$75,000 limit specified in the bill, additional funding may be required. See Technical Note.

Department of Revenue

Workload and costs may increase in the Department of Revenue to adjust local sales tax rates if local governments levy sales tax to support a multijurisdictional homelessness response authority. As actual expenditures will depend on local government actions, the fiscal note assumes DOR will seek any additional funding through the annual budget process.

Other Agency Impacts

Workload will minimally increase for state agencies to participate in the Interagency Council, including the Governor's Office, Behavioral Health Administration, Department of Corrections, Department of Education, Department of Health Care Policy and Financing, Department of Human Services, Department of Labor and Employment, 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 a General Fund appropriation of \$75,000 to the Department of Local Affairs.

Departmental Difference and Technical Note

DOLA estimates that it requires \$150,000 and 1.3 FTE per year to support the Interagency Council. However, based on the bill's language, the fiscal note assumes the lower-cost option of contracting with a third party at \$75,000 per year, the maximum appropriation permitted under the bill. It also assumes this is sufficient, as existing staff in the Division of Housing have the expertise to provide additional council support as needed.

If DOLA is unable to procure a contractor to support the council within \$75,000 per year and additional funds are not appropriated or received through gifts, grants, and donations, the council may not be implemented as required by the bill.

State and Local Government Contacts

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

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](#).