



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 21-0894 Date: April 9, 2021
Prime Sponsors: Rep. Froelich; Gray Bill Status: House Energy & Environment
Sen. Winter; Rankin Fiscal: Christina Van Winkle | 303-866-6289
Analyst: Christina.VanWinkle@state.co.us

Bill Topic: RENEWABLE & CLEAN ENERGY PROJECT GRANTS

- Summary of Fiscal Impact:
State Revenue (checkbox)
State Expenditure (checkbox)
State Transfer (checkbox)
TABOR Refund (checkbox)
Local Government (checkbox)
Statutory Public Entity (checkbox)

This bill transfers \$5.0 million from the General Fund to the Local Government Severance Tax Fund for the Department of Local Government to provide renewable and clean energy project grants. In addition to creating a one-time transfer, the bill increases state expenditures through FY 2022-23 and may increase local government revenue and workload.

Appropriation Summary: The bill includes an appropriation of \$5.0 million to the Department of Local Affairs.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 21-1253

Table with 4 columns: Category, Sub-category, Current Year FY 2020-21, Budget Year FY 2021-22, Out Year FY 2022-23. Rows include Revenue, Expenditures (Cash Funds, Total Expenditure), Transfers (General Fund, Cash Funds, Net Transfer), and TABOR Refund.

1 Transferred funds may be spent through FY 2022-23.

## Summary of Legislation

The bill transfers \$5.0 million from the General Fund to the Local Government Severance Tax Fund in FY 2020-21 and appropriates the money to the Department of Local Affairs (DOLA). DOLA is directed to award the money by August 15, 2021, or as soon as possible thereafter to provide grants for renewable and clean energy implementation projects that meet the department's eligibility criteria for funding under the renewable and clean energy initiative program. DOLA is encouraged to prioritize communities with sparse renewable and clean energy infrastructure, and to consider geographic diversity when making grants. Transferred funds are appropriated to DOLA through FY 2022-23. DOLA must report to the General Assembly regarding the grants awarded in the 2022 SMART Act hearing.

## Background

DOLA launched the renewable and clean energy program in 2019 to support Colorado's goal of reaching 100 percent renewable energy by 2040. Funding is awarded for the planning and implementation of renewable energy projects. As of January 2021, around \$15.0 million has been awarded for renewable and clean energy projects. Local governments are required to contribute a minimum of 25 percent match.

## State Transfers

In the current FY 2020-21, the bill transfers \$5.0 million from the General Fund to the Local Government Severance Tax Fund.

## State Expenditures

Between the current FY 2020-21 and FY 2022-23, the bill increases state expenditures by a total of \$5.0 million from the Local Government Severance Tax Fund to award renewable and clean energy grants. DOLA can administer this program within existing resources.

## Local Government

The bill increases workload for local governments that apply for a grant, and increases revenue and expenditures for local governments that receive a grant and to implement a renewable and clean energy project.

## Effective Date

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

## State Appropriations

The bill includes an appropriation of \$5.0 million in the current FY 2020-21 from the Local Government Severance Tax Fund to the Department of Local Affairs. Any unspent funding remains available to the department through FY 2022-23.

## State and Local Government Contacts

Information Technology

Local Affairs