



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**Revised Fiscal Note**

(replaces fiscal note dated April 22, 2024)

<b>Drafting Number:</b>	LLS 24-1096	<b>Date:</b>	April 25, 2024
<b>Prime Sponsors:</b>	Sen. Priola; Winter F. Rep. Mauro; Rutinel	<b>Bill Status:</b>	Senate Appropriations
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**Bill Topic: CDLE REGULATION ELECTRICITY FOR ELECTRIC VEHICLES**

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill creates the Electric Vehicle Enterprise in the Department of Labor and Employment to inspect and verify that EV charging stations meet certain standards, and allows the enterprise to administer a fee on electric vehicle charging retailers. It increases state expenditures beginning in FY 2024-25 and state revenue beginning in FY 2025-26.

**Appropriation Summary:** No appropriation is required as the Electric Vehicle Enterprise Special Revenue Fund is continuously appropriated to the Department of Labor and Employment.

**Fiscal Note Status:** The fiscal note reflects the introduced bill, as amended by the Senate Finance Committee. It has also been updated to include new assumptions about enterprise staff.

**Table 1  
State Fiscal Impacts Under SB 24-208**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
<b>Revenue</b>	Enterprise Cash Fund	-	\$446,810	\$446,810
	<b>Total Revenue</b>	-	<b>\$446,810</b>	<b>\$446,810</b>
<b>Expenditures</b>	Enterprise Cash Fund	\$220,352	\$180,316	\$375,125
	Centrally Appropriated	\$13,339	\$33,446	\$51,384
	<b>Total Expenditures</b>	<b>\$233,691</b>	<b>\$213,761</b>	<b>\$426,509</b>
	<b>Total FTE</b>	<b>0.9 FTE</b>	<b>1.9 FTE</b>	<b>2.9 FTE</b>
<b>Transfers<sup>1</sup></b>	General Fund	(\$264,000)	(\$160,000)	\$164,558
	Enterprise Cash Fund	\$264,000	\$160,000	(\$164,558)
	<b>Net Transfer</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Budget Impacts</b>		-	-	-

<sup>1</sup> The bill transfers money in FY 2024-25 and FY 2025-26 from the General Fund to the enterprise to support the enterprise before fee collection begins. This transfer is a loan that must be repaid to the General Fund by FY 2028-29. It is assumed this repayment will occur evenly over three years from FY 2026-27 to FY 2028-29.

## Summary of Legislation

The bill creates the Electric Vehicle Enterprise in the Department of Labor and Employment (CDLE) to synchronize electric vehicle charging protocols. By July 1, 2025, the enterprise must establish minimum standards related to specifications and tolerances for retail electric vehicle charging equipment and methods of retail sale at publicly accessible electric vehicle charging stations. The enterprise board consists of five members: a representative from the Division of Oil and Safety in the CDLE, a representative from the Colorado Energy Office, and three representatives from the electric vehicle industry.

Beginning July 1, 2025, the enterprise may impose a fee on electric vehicle charging station retailers based on the total number of stations operated by the retailer and the total number of power supply devices used at each station. The bill also requires General Fund loans of \$264,000 for FY 2024-25 and \$160,000 for FY 2025-26 to be transferred to the Electric Vehicle Enterprise Special Revenue Fund. By December 31, 2028, the enterprise must repay both loans with accumulated interest.

## State Revenue

The bill increases revenue in the CDLE by about \$446,000 per year beginning in FY 2025-26 until all start-up costs and loans are repaid by FY 2028-29, and then a lesser amount, around \$320,000, in future years. This revenue is deposited to the Electric Vehicle Enterprise Special Revenue Fund and is not subject to the state's revenue limit under TABOR in years when the program qualifies as a state enterprise under TABOR. Actual revenue may differ from these estimates based on the fee amounts set by the enterprise and the actual number of EV charging stations.

**Fee impact.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the enterprise board based on cash fund balance, program costs, and the number retailers subject to the fee. As of writing, there are 5,208 charging ports and 2,149 stations in the state. It is assumed two-thirds of these ports are retailer-owned and will be assessed an inspection fee under the bill.

**Table 2**  
**Annual Fee Impact Under SB 24-208<sup>1</sup>**  
FY 2025-26 through FY 2028-29

Type of Fee	Proposed Fee	Number of Ports	Fee Impact
Electric Vehicle Charging Station Retailer Fee	\$130	3,437	\$446,810

<sup>1</sup> The fiscal note assumes the fee will be assessed on retailers on an annual basis, with retailers paying a fee based on the total number of charging ports operated; however, the actual fee structure will be created through CDLE rule. Future growth in charging station may reduce the per port fee amount over time.

**Voter approval of new state enterprises.** Current law requires voter approval for a state enterprise with projected or actual revenue from fees and surcharges over \$100 million in its first five fiscal years. The new enterprise in this bill will begin operating in FY 2024-25. Through FY 2027-28, the enterprise is projected to collect less than \$100 million in fees and not require voter approval.

### State Transfers

The bill transfers \$264,000 in FY 2024-25 and \$160,000 in FY 2025-26 from the General Fund to the Electric Vehicle Enterprise Special Revenue Fund.

Corresponding transfers to the General Fund totaling about \$493,675 over three years will be made through FY 2028-29 to repay the initial loans and accumulated interest at an assumed 4.5 percent interest rate based on 10-year United States Treasury Note. Assuming repayment starts in FY 2026-27, about \$165,000 per year will be transferred from the enterprise fund to the General Fund for three years. Actual repayment amounts and timing may vary depending on decisions by the enterprise.

### State Expenditures

The bill increases state cash fund expenditures by \$234,000 in FY 2024-25, \$214,000 in FY 2025-26, and \$427,000 in FY 2026-27 in the CDLE from the Electric Vehicle Enterprise Special Revenue Fund. After initial start-up and loan repayment, the enterprise is expected to have ongoing costs of around \$320,000 per year starting in FY 2029-30. Expenditures are shown in Table 2 and detailed below.

**Table 2  
Expenditures Under SB 24-208<sup>1</sup>**

	FY 2024-25	FY 2025-26	FY 2026-27
<b>Department of Labor and Employment</b>			
Personal Services	\$54,908	\$132,069	\$198,589
Operating Expenses	\$896	\$2,304	\$3,584
Capital Outlay Costs	\$13,340	-	\$6,670
EV Charging Testing Equipment	\$100,000	-	\$100,000
Travel and Vehicle Lease Costs	-	\$20,339	\$40,678
Legal Services	\$51,208	\$25,604	\$25,604
Centrally Appropriated Costs <sup>2</sup>	\$13,339	\$33,446	\$51,384
FTE – Personal Services	0.7 FTE	1.8 FTE	2.8 FTE
FTE – Legal Services	0.2 FTE	0.1 FTE	0.1 FTE
<b>Total Cost</b>	<b>\$233,691</b>	<b>\$213,761</b>	<b>\$426,509</b>
<b>Total FTE</b>	<b>0.9 FTE</b>	<b>1.9 FTE</b>	<b>2.9 FTE</b>

<sup>1</sup> Table 2 does not show loan repayments by the enterprise. These amounts are discussed in the State Transfers section above.

<sup>2</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Electric Vehicle Enterprise.** The bill increases costs in the Electric Vehicle Enterprise in the CDLE starting in FY 2024-25. These costs are for staff to administer the enterprise and perform inspections on electric vehicle charging stations, as outlined below. Standard operating and capital outlay costs are included for all staff.

- **Enterprise administration and inspection staff.** To phase in the implementation of the electric vehicle charging station program, CDLE requires 0.7 FTE beginning in FY 2024-25, 1.8 FTE in FY 2025-26, and 2.8 FTE in FY 2026-27 and ongoing years. Required staff are listed below.

- 0.5 FTE project management staff will begin work in July 2024 to establish policies and procedures for the electric vehicle charging station inspection program, provide support to the enterprise board, and perform other administrative and outreach functions to support the goals and mission of the enterprise.
- 2.0 FTE inspection staff will inspect publicly accessible electric vehicle charging stations to ensure they are meeting the standards set by the enterprise board. One inspector will begin work in April 2025 prior to inspections starting in July 2025. This initial inspector will begin inspections on an initial schedule as determined by the board, develop and fine-tune procedures, and assist the board in establish a permanent inspection schedule based on the results of inspections.

Based on the large number of charging stations located throughout the state, it is assumed that additional inspection staff will be required and a second inspector will begin work in July 2026. The exact number of staff will be determined by the enterprise, based on the inspection schedule and rules established by the enterprise, and future growth in the number of retail EV charging stations.

A one-time cost of \$100,000 for testing equipment and supplies is included for each inspector in the year when they start, as well as \$10,000 for a vehicle lease, and \$10,000 for annual travel costs.

- 0.3 FTE accounting staff will facilitate fee collection and accounting for the enterprise will begin work starting in April 2025.
- **Legal services.** The CDLE requires 400 hours of legal services (0.2 FTE) in FY 2024-25 and 200 hours (0.1 FTE) in ongoing years, to provide general counsel support on new rules and regulations, implementation and administration of the new fee, regulatory oversight, and any litigation as a result of the bill. Legal services are provided by the Department of Law at a rate of \$128.02 per hour.
- **Enterprise board.** The bill requires the CDLE to support the enterprise board. The fiscal note assumes this work will be accomplished by program staff. A representative of the Division of Oil and Public Safety will serve on the enterprise board within existing resources.

**Colorado Energy Office.** The bill requires a representative of the Colorado Energy Office to serve on the enterprise board. This workload increase is expected to be minimal and can be accomplished within existing resources.

**Governor's Office.** Workload will minimally increase for the Governor's Office of Boards and Commissions to make the required appointment under the bill. This work can be accomplished within existing appropriations.

**Institutions of higher education and other state agencies.** Institutions of higher education and state agencies that own and operate EV charging stations may have additional costs to pay the enterprise fee. It is assumed that any impact would be passed on through rates charged to users by the institution, agency, or their contract EV station operator.

**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**

Similar to the state impact above, local governments that operate EV charging stations may have additional costs to pay the enterprise fee. It is assumed that any impact would be passed on through rates charged to users by local governments or their contract EV station operator.

## **Effective Date**

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

## **State and Local Government Contacts**

Energy Office  
Law

Higher Education  
Judicial

Labor and Employment

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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](#).