

**First Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 21-0281.01 Bob Lackner x4350

**HOUSE BILL 21-1284**

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**HOUSE SPONSORSHIP**

**Valdez A. and Van Winkle,**

**SENATE SPONSORSHIP**

**Hansen and Priola,**

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**House Committees**

Transportation & Local Government

**Senate Committees**

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**A BILL FOR AN ACT**

101       **CONCERNING MODIFICATIONS TO THE LIMITATION ON THE**  
102               **AGGREGATE AMOUNT OF FEES THAT MAY BE ASSESSED BY**  
103               **GOVERNMENTAL BODIES FOR THE INSTALLATION OF ACTIVE**  
104               **SOLAR ENERGY SYSTEMS, AND, IN CONNECTION THEREWITH,**  
105               **EXTENDING THE REPEAL DATE OF THE LIMITATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Current law imposes a limitation on the permit, application review, or any other related or associated fees that may be assessed by counties,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

HOUSE  
2nd Reading Unamended  
May 7, 2021

municipalities, state agencies, and political subdivisions of the state for the installation of an active solar electric or solar thermal device or system. The bill modifies this language so that the limitation applies to the aggregate of all charges or other related or associated fees the state, a county, municipality, state agency, or any other political subdivision of the state (governmental bodies) shall impose or assess for the installation of an active solar energy system.

The bill sets a limit on the aggregate of all charges or other related or associated fees any governmental body may impose or assess to install an active solar energy system of \$500 for a residential permit and \$1,000 for a commercial permit. In the case of a nonresidential application, on an individual installation basis only, if the governmental body incurs actual costs for issuing the permit that are greater than \$1,000, the governmental body is entitled to recovery of its actual costs for issuing the permit by submitting in writing and disclosing to the applicant for the particular permit proof of the governmental body's actual costs.

In connection with existing statutory requirements affecting state agencies and political subdivisions, the bill clarifies that the duty to clearly and individually identify all fees and taxes assessed on an application on the invoice lies with the state or any agency, institution, authority, or political subdivision of the state.

Under existing law, one component of determining the lawful fee for issuing a permit or reviewing an application requires a comparison of the lesser of the actual costs of providing such services or \$500 for a residential application. The bill restricts a governmental body from increasing its fees or other charges by more than 5% on an annual basis until the \$500 limitation is achieved.

The bill also extends the repeal date of the existing fee limitation.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1. Legislative declaration.** (1) The general assembly  
3 hereby finds, determines, and declares that:

4           (a) It is critical to our long-term energy independence,  
5 sustainability, and stability that Colorado continue to foster an  
6 environment where renewable energy technologies can be deployed;

7           (b) Greater adoption of renewable energy technology will help  
8 Colorado reach its clean energy goals, outlined in the Polis  
9 Administration's "Roadmap to 100% Renewable Energy by 2040 and

1 Bold Climate Action";

2 (c) The cost of permitting in connection with the installation of an  
3 active solar energy system can create a barrier for Coloradans and  
4 Colorado businesses to install and deploy distributed solar and energy  
5 storage;

6 (d) Current law governing the fees that may be charged by  
7 governmental bodies for the installation of active solar energy systems  
8 already includes guardrails to reduce these barriers, but there have been  
9 some instances in which these guardrails have been circumvented and  
10 further clarification of applicable statutory provisions is needed; and

11 (e) Fees associated with permits are intended to cover the costs  
12 incurred by local governments in evaluating and issuing those permits and  
13 should not be used as additional sources of general fund revenue.

14 (2) (a) Accordingly, the general assembly further finds,  
15 determines, and declares that statutory provisions governing the fees that  
16 may be charged by governmental bodies for the installation of active solar  
17 energy systems must be further strengthened to provide clarity and  
18 transparency for homeowners and businesses when seeking to adopt these  
19 technologies by reasserting that the aggregate costs of all permitting fees  
20 associated with these applications shall not exceed \$500 for a residential  
21 permit and \$1,000 for a commercial permit.

22 (b) The general assembly further recognizes the important  
23 contribution energy storage provides to Colorado's energy independence,  
24 sustainability, and resilience.

25 (c) Existing statutory provisions governing the fees that may be  
26 charged by governmental bodies for the installation of active solar energy  
27 systems must make it clear that energy storage is an integral piece of the

1 entire active solar energy system.

2 (d) The potential exists for the occasional project to be complex  
3 and for the actual costs associated with permitting to exceed the  
4 guardrails specified in the statute.

5 (e) Therefore, the general assembly further finds that flexibility  
6 should be provided to the permitting entity in these isolated cases to be  
7 able to demonstrate the actual costs associated with these individual  
8 permits and to allow the permitting entity to levy fees on such permits to  
9 cover these costs.

10 **SECTION 2.** In Colorado Revised Statutes, **amend** 24-48.5-113  
11 as follows:

12 **24-48.5-113. Limit on solar device fees - definitions - repeal.**

13 (1) ~~An agency, institution, authority, or political subdivision of the state~~  
14 ~~shall:~~

15 (a) ~~Not charge permit, application review, or any other related or~~  
16 ~~associated fees to install an active solar electric or solar thermal device or~~  
17 ~~system that, in aggregate,~~ EXCEPT AS OTHERWISE PROVIDED IN THIS  
18 SECTION, THE AGGREGATE OF ALL CHARGES OR OTHER RELATED OR  
19 ASSOCIATED FEES THE STATE OR ANY AGENCY, INSTITUTION, AUTHORITY,  
20 OR POLITICAL SUBDIVISION OF THE STATE MAY IMPOSE OR ASSESS TO  
21 INSTALL AN ACTIVE SOLAR ENERGY SYSTEM SHALL NOT exceed:

22 (I) The lesser of the actual costs in issuing the permit or reviewing  
23 the application or five hundred dollars for a residential application or ~~two~~  
24 ONE thousand dollars for a nonresidential application if the device or  
25 system produces fewer than two megawatts of direct current electricity or  
26 an equivalent-sized thermal energy system; or

27 (II) The actual costs in issuing the permit if the device or system

1 produces at least two megawatts of direct current electricity or an  
2 equivalent-sized thermal energy system.

3 (b) ~~Clearly~~ THE STATE OR ANY AGENCY, INSTITUTION, AUTHORITY,  
4 OR POLITICAL SUBDIVISION OF THE STATE SHALL CLEARLY and individually  
5 identify all fees and taxes assessed on an application subject to this  
6 subsection (1) on the invoice.

7 (c) THE STATE OR ANY AGENCY, INSTITUTION, AUTHORITY, OR  
8 POLITICAL SUBDIVISION OF THE STATE MAY INCREASE ITS FEES OR OTHER  
9 CHARGES AS AUTHORIZED BY SUBSECTION (1)(a) OF THIS SECTION BY NO  
10 MORE THAN FIVE PERCENT ON AN ANNUAL BASIS UNTIL THE FIVE HUNDRED  
11 DOLLAR LIMITATION SPECIFIED IN SAID SUBSECTION (1)(a) IS ACHIEVED.

12 (d) IN THE CASE OF A NONRESIDENTIAL APPLICATION, ON AN  
13 INDIVIDUAL INSTALLATION BASIS ONLY, IF THE STATE OR ANY AGENCY,  
14 INSTITUTION, AUTHORITY, OR POLITICAL SUBDIVISION OF THE STATE  
15 INCURS ACTUAL COSTS FOR ISSUING THE PERMIT THAT ARE GREATER THAN  
16 ONE THOUSAND DOLLARS, THE STATE OR SUCH OTHER AGENCY,  
17 INSTITUTION, AUTHORITY, OR POLITICAL SUBDIVISION OF THE STATE IS  
18 ENTITLED TO RECOVERY OF ITS ACTUAL COSTS FOR ISSUING THE PERMIT BY  
19 SUBMITTING IN WRITING AND DISCLOSING TO THE APPLICANT FOR THE  
20 PARTICULAR PERMIT PROOF OF SUCH ACTUAL COSTS.

21 (e) AS USED IN THIS SUBSECTION (1), "ACTIVE SOLAR ENERGY  
22 SYSTEM" MEANS A SINGLE SYSTEM THAT CONTAINS ELECTRIC  
23 GENERATION, A THERMAL DEVICE, OR IS AN ENERGY STORAGE SYSTEM AS  
24 DEFINED IN SECTION 40-2-202 (2).

25 (2) This section is repealed, effective ~~July 1, 2025~~ DECEMBER 31,  
26 2029.

27 **SECTION 3.** In Colorado Revised Statutes, 30-28-113, **amend**

1 (1)(b)(II) as follows:

2 **30-28-113. Regulation of size and use - districts - definitions -**

3 **repeal.** (1) (b) (II) (A) ~~A county shall not charge permit, plan review, or~~  
4 ~~any other related or associated fees~~ EXCEPT AS OTHERWISE PROVIDED IN  
5 THIS SECTION, THE AGGREGATE OF ALL CHARGES OR OTHER RELATED OR  
6 ASSOCIATED FEES A COUNTY SHALL IMPOSE OR ASSESS to install an active  
7 solar ~~electric or solar thermal device or~~ ENERGY system, ~~that, in~~  
8 ~~aggregate~~, SHALL NOT exceed the lesser of the county's actual costs in  
9 issuing the permit or five hundred dollars for a residential application or  
10 one thousand dollars for a nonresidential application if the device or  
11 system produces fewer than two megawatts of direct current electricity or  
12 an equivalent-sized thermal energy system, or that exceed the county's  
13 actual costs in issuing the permit if the device or system produces at least  
14 two megawatts of direct current electricity or an equivalent-sized thermal  
15 energy system. A COUNTY MAY INCREASE ITS FEES OR OTHER CHARGES AS  
16 AUTHORIZED BY THIS SUBSECTION (1)(b)(II) BY NO MORE THAN FIVE  
17 PERCENT ON AN ANNUAL BASIS UNTIL THE FIVE HUNDRED DOLLAR  
18 LIMITATION SPECIFIED IN THIS SUBSECTION (1)(b)(II) IS ACHIEVED. The  
19 county shall clearly and individually identify all fees and taxes assessed  
20 on an application subject to this subsection (1)(b)(II) on the invoice. The  
21 general assembly hereby finds that there is a statewide need for certainty  
22 regarding the fees that can be assessed for permitting such devices or  
23 systems, and therefore declares that this subsection (1)(b)(II) is a matter  
24 of statewide concern. This subsection (1)(b)(II) is repealed, effective ~~July~~  
25 ~~1, 2025~~ DECEMBER 31, 2029.

26 (B) IN THE CASE OF A NONRESIDENTIAL APPLICATION, ON AN  
27 INDIVIDUAL INSTALLATION BASIS ONLY, IF THE COUNTY INCURS ACTUAL

1 COSTS FOR ISSUING THE PERMIT THAT ARE GREATER THAN ONE THOUSAND  
2 DOLLARS, THE COUNTY IS ENTITLED TO RECOVERY OF ITS ACTUAL COSTS  
3 FOR ISSUING THE PERMIT BY SUBMITTING IN WRITING AND DISCLOSING TO  
4 THE APPLICANT FOR THE PARTICULAR PERMIT PROOF OF THE COUNTY'S  
5 ACTUAL COSTS.

6 (C) AS USED IN THIS SUBSECTION (1)(b)(II), "ACTIVE SOLAR  
7 ENERGY SYSTEM" MEANS A SINGLE SYSTEM THAT CONTAINS ELECTRIC  
8 GENERATION, A THERMAL DEVICE, OR IS AN ENERGY STORAGE SYSTEM AS  
9 DEFINED IN SECTION 40-2-202 (2).

10 **SECTION 4.** In Colorado Revised Statutes, 31-15-402, **amend**  
11 (4)(b) as follows:

12 **31-15-602. Energy efficient building codes - legislative**  
13 **declaration - definitions - repeal.** (4) (b) (I) (A) ~~A municipality shall~~  
14 ~~not charge permit, plan review, or any other related or associated fees~~  
15 EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE AGGREGATE OF  
16 ALL CHARGES OR OTHER RELATED OR ASSOCIATED FEES A MUNICIPALITY  
17 SHALL IMPOSE OR ASSESS to install an active solar electric or solar thermal  
18 device or system ~~that, in aggregate,~~ SHALL NOT exceed the lesser of the  
19 municipality's actual costs in issuing the permit or five hundred dollars  
20 for a residential application or one thousand dollars for a nonresidential  
21 application if the device or system produces fewer than two megawatts of  
22 direct current electricity or an equivalent-sized thermal energy system, or  
23 that exceed the municipality's actual costs in issuing the permit if the  
24 device or system produces at least two megawatts of direct current  
25 electricity or an equivalent-sized thermal energy system. A MUNICIPALITY  
26 MAY INCREASE ITS FEES OR OTHER CHARGES AS AUTHORIZED BY THIS  
27 SUBSECTION (4)(b)(I) BY NO MORE THAN FIVE PERCENT ON AN ANNUAL

1 BASIS UNTIL THE FIVE HUNDRED DOLLAR LIMITATION SPECIFIED IN THIS  
2 SUBSECTION (4)(b)(I) IS ACHIEVED. The municipality shall clearly and  
3 individually identify all fees and taxes assessed on an application subject  
4 to this subsection (4)(b)(I) on the invoice. The general assembly hereby  
5 finds that there is a statewide need for certainty regarding the fees that  
6 can be assessed for permitting such devices or systems, and therefore  
7 declares that this subsection (4)(b) is a matter of statewide concern.

8 (B) IN THE CASE OF A NONRESIDENTIAL APPLICATION, ON AN  
9 INDIVIDUAL INSTALLATION BASIS ONLY, IF THE MUNICIPALITY INCURS  
10 ACTUAL COSTS FOR ISSUING THE PERMIT THAT ARE GREATER THAN ONE  
11 THOUSAND DOLLARS, THE MUNICIPALITY IS ENTITLED TO RECOVERY OF ITS  
12 ACTUAL COSTS FOR ISSUING THE PERMIT BY SUBMITTING IN WRITING AND  
13 DISCLOSING TO THE APPLICANT FOR THE PARTICULAR PERMIT PROOF OF  
14 THE MUNICIPALITY'S ACTUAL COSTS.

15 (C) AS USED IN THIS SUBSECTION (4)(b)(I), "ACTIVE SOLAR  
16 ENERGY SYSTEM" MEANS A SINGLE SYSTEM THAT CONTAINS ELECTRIC  
17 GENERATION, A THERMAL DEVICE, OR IS AN ENERGY STORAGE SYSTEM AS  
18 DEFINED IN SECTION 40-2-202 (2).

19 (II) This subsection (4)(b) is repealed, effective ~~July 1, 2025~~  
20 DECEMBER 31, 2029.

21 **SECTION 5. Act subject to petition - effective date.** This act  
22 takes effect at 12:01 a.m. on the day following the expiration of the  
23 ninety-day period after final adjournment of the general assembly; except  
24 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
25 of the state constitution against this act or an item, section, or part of this  
26 act within such period, then the act, item, section, or part will not take  
27 effect unless approved by the people at the general election to be held in



- 1 November 2022 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.