



**Colorado
Legislative
Council
Staff**

SB17-179

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-0929

Date: February 22, 2017

Prime Sponsor(s): Sen. Gardner; Kerr
Rep. Herod

Bill Status: Senate Finance

Fiscal Analyst: Chris Creighton (303-866-5834)

BILL TOPIC: FEE LIMITS FOR SOLAR ENERGY DEVICE INSTALLATIONS

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue Cash Funds		Potential revenue impact.
State Expenditures		
Appropriation Required: None.		
Future Year Impacts: Ongoing revenue impact through FY 2025-26.		

Summary of Legislation

Current law limits the fee amount that the state, counties, or municipalities can charge for permit, application review, and plan reviews on applications for the installation of a solar energy device or system. These current fee limits are scheduled to repeal July 1, 2018. This bill extends these fee limits to July 1, 2025, and clarifies that the limits also apply to related or associated fees.

Background

State agency fee limits. Under current law, for solar energy systems that produce fewer than two megawatts of direct current, a state agency may not charge permit, application review, or other fees in excess of the lesser of the actual cost to perform the work or \$500 for a residential application and \$2,000 for a nonresidential application. For systems that produce more than two megawatts, the state agency fee may not exceed actual costs. These fee limitations have been in place since 2011.

Local government fee limits. For solar energy systems that produce fewer than two megawatts of direct current, municipalities and counties, cannot charge permit, plan review, or other fees in excess of the lesser of actual costs or \$500 for a residential application and \$1,000 for a nonresidential application. For systems that produce more than two megawatts, the fee may not exceed actual costs. These fee limitations have been in place since 2008.

State Revenue

Beginning in FY 2018-19, this bill impacts state cash fund revenue from fees by continuing the fee limits on solar device permit or application reviews until July 1, 2025. As a result, no permit or application fee increase can occur until July 1, 2025. This applies to the Division of Fire Prevention and Control in the Department of Public Safety and the State Electrical Board in the Department of Regulatory Agencies.

Local Government Impact

Similar to the state, beginning in FY 2018-19, this bill impacts municipal and county revenue from fees by continuing current fee limits on solar device permit and plan reviews until July 1, 2025. To the extent that current fees do not cover costs and municipal or county general fund moneys are being used to subsidize the full cost of this work, extending this repeal date will continue the general fund subsidy. Any impact will vary by local government and depends on current fees, solar device permit activity, and the cost to perform this work. As such, these impacts cannot be estimated.

Effective Date

The bill takes effect August 9, 2017, if the General Assembly adjourns on May 10, 2017, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Information Technology
Office of Economic Development
Public Safety

Colorado Energy Office
Municipalities
Regulatory Agencies
School Districts