



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1202: INCREASING PUBLIC AWARENESS OF MOLD HEALTH EFFECTS

Prime Sponsors:

Rep. Paschal; Mabrey

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Published for: House Appropriations

Drafting number: LLS 25-0419

Version: First Revised Note

Date: March 21, 2025

Fiscal note status: This revised fiscal note reflects the introduced bill, as amended by the House Energy and Environment Committee.

Summary Information

Overview. The bill enacts the Mold Awareness and Registration Act and requires certain disclosures in residential property transactions.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- Minimal State Revenue

Appropriations. For FY 2025-26, the bill requires an appropriation of \$42,284 to the Department of Public Health and Environment.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$49,922	\$46,706
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.4 FTE	0.5 FTE

¹ Fund sources for these impacts are shown in the tables below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$42,284	\$37,158
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$7,638	\$9,548
Total Expenditures	\$49,922	\$46,706
Total FTE	0.4 FTE	0.5 FTE

Summary of Legislation

The bill enacts the Mold Awareness and Education Act in the Department of Public Health and Environment (CDPHE) and establishes requirements for mold disclosure in the sale or rental of residential property.

Mold Awareness and Education Act

The bill directs the CDPHE to create a page on the department's website that educates the public on the health dangers of mold and the importance of remediating it from indoor environments. The webpage must include:

- information on the health dangers of mold;
- mold testing and remediation methods, terminology, and industry standards; and
- organizations and public agencies that can assist with testing and remediation.

The CDPHE must establish the webpage by July 1, 2026, and update it every five years.

Disclosure

The bill also requires the state's approved Seller's Property Disclosure to indicate whether a property has mold, has been assessed for mold, or has been remediated of mold. The disclosure must include any mold reports that were conducted on the property. Additionally, a lease agreement for residential property must include specific disclosures about the health dangers of mold, any knowledge about the presence of mold in the property, prior mold assessments and remediation, and the address for CDPHE's mold education webpage.

Background

The Indoor Air Quality Unit in the CDPHE studies and provides information on air pollution, air quality, and ventilation in community-use buildings. These efforts are federally funded by the Environmental Protection Agency, which directs the unit's efforts. Through FY 2026-27, indoor air quality funding is directed towards wildfire smoke preparedness and mitigation in indoor environments. Currently, the department does not oversee any programs directly related to mold exposure or remediation in indoor environments.

State Revenue

Starting in FY 2025-26, the bill may increase state revenue from filing fees to the Judicial Department if real estate professionals do not disclose certain information in the sale or lease of residential property. It is assumed that these parties will abide by the law and that this impact will be minimal. Revenue from filing fees is subject to TABOR.

State Expenditures

The bill increases state expenditures in the Department of Public Health and Environment by about \$50,000 in FY 2025-26 and \$47,000 in future years. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Department of Regulatory Agencies and the Judicial Department.

Table 2
State Expenditures
Department of Public Health and Environment

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$28,702	\$35,878
Operating Expenses	\$512	\$640
Capital Outlay Costs	\$6,670	\$0
Webpage Development and Maintenance	\$6,400	\$640
Centrally Appropriated Costs	\$7,638	\$9,548
Total Costs	\$49,922	\$46,706
Total FTE	0.4 FTE	0.5 FTE

Department of Public Health and Environment

Expenditures in the CDPHE will increase for staff and webpage development and maintenance, as described below.

Staff

Starting in FY 2025-26, CDPHE requires 0.5 FTE Health Professional III to research and compile the information required for the public awareness webpage, respond to inquiries and complaints, and support the Board of Health with rulemaking. Staff costs for this FTE are prorated in the first year based on the bill's effective date.

Public Awareness Webpage

In FY 2025-26 only, expenditures will increase by \$6,400 to create a new webpage and publish information related to mold dangers, assessment, and remediation. This work is implemented by the Office of Information Technology (OIT). Ongoing maintenance costs are estimated at 10 percent of total IT expenditures starting in FY 2026-27.

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 may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

Other Agency Impacts

Starting in FY 2025-26, the bill minimally increases workload in DORA and the Judicial Department, as described below.

Department of Regulatory Agencies

Workload in the Division of Real Estate in DORA will minimally increase to update contract documents and mold disclosure forms for residential property transactions, conduct outreach to real estate professionals, and respond to complaints. The department may require legal services, provided by the Department of Law, related to rulemaking, implementation, and a rise in complaints. This workload is expected to be minimal and no change in appropriations is required.

Judicial Department

Similar to the State Revenue section above, trial courts in the Judicial Department may experience an increase in workload if additional civil cases are filed. It is assumed that real estate professionals will abide by the law and that any violation of the legislation will result in a minimal number of new cases. This effort can be accomplished within existing appropriations.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, except that the provisions related to required disclosures by real estate professionals take effect January 1, 2026.

State Appropriations

For FY 2025-26, the bill requires a General Fund appropriation of \$42,284 to the Department of Public Health and Environment, and 0.5 FTE. Of this amount, \$6,400 is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Information Technology

Judicial

Law

Local Affairs

Public Health and Environment

Regulatory Agencies