



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1211: TAP FEES IMPOSED BY SPECIAL DISTRICTS

Prime Sponsors:

Rep. Stewart R.; Lieder
Sen. Bridges; Kirkmeyer

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0744

Version: Final Fiscal Note

Date: May 20, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill places limitations on tap fees charged by the board of a sanitation district, water and sanitation district, or water district.

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

- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill places some additional limitations on tap fees charged by the board of a sanitation district, water and sanitation district, or water district. In determining the amount of the fee, the bill requires that a board:

- ensure the amount of the tap fee is reasonably related to the cost of providing water service, including the cost of infrastructure construction, water rights planning, and the acquisition and development of water rights;
- consider expected long-term indoor and outdoor use, square footage of the unit or the number of bedrooms, the presence of low water use appliances, pre-unit fixture counts in bathrooms, kitchens, and other spaces, and the presence of graywater treatment works as supporting a reduced or proportional tap fee.

State Expenditures

The bill may minimally increase workload in the Department of Local Affairs to respond to questions and provide guidance to water and sanitation districts. This effort does not require new appropriations.

Local Government

Water and sanitation districts must adjust internal documentation and will have increased workload and legal expenses to alter district policies to conform tap-fee schedules to the new limitations. This includes increased administrative expenses to evaluate fee structures, update accounting systems, and train staff. The change from existing tap fee amounts is unknown, and will depend on decisions and circumstance unique to each water district providing domestic drinking water.

Effective Date

The bill was signed into law by the Governor on May 9, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

State and Local Government Contacts

Local Affairs

Special District Association

Public Health and Environment

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](#).