

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

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 25-0872.01 Pierce Lively x2059

SENATE BILL 25-182

SENATE SPONSORSHIP

Ball and Simpson, Amabile, Bridges, Cutter, Daugherty, Exum, Kipp, Winter F.

HOUSE SPONSORSHIP

Brown and Weinberg, Bacon, Boesenecker, Clifford, Froelich, Paschal, Rutinel, Smith, Valdez

Senate Committees

Transportation & Energy
Appropriations

House Committees

Transportation, Housing & Local Government

HOUSE
3rd Reading Unamended
April 25, 2025

A BILL FOR AN ACT

101 **CONCERNING ENCOURAGING THE REDUCTION OF EMBODIED CARBON.**

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>.)

Embodied carbon is the carbon associated with greenhouse gas emissions arising from the production, construction, use, and end-of-life of products or systems used in the construction of buildings, roads, and other infrastructure. An embodied carbon improvement is a real property installation or modification that is completed in a manner that generates relatively less embodied carbon.

Section 1 of the bill adds embodied carbon improvements to the list of new energy improvements that are eligible for property-assessed

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

HOUSE
2nd Reading Unamended
April 24, 2025

SENATE
3rd Reading Unamended
April 17, 2025

SENATE
Amended 2nd Reading
April 15, 2025

clean energy financing provided by the Colorado new energy improvement district.

Section 2 modifies the industrial clean energy tax credit so that embodied carbon improvements are greenhouse gas emissions reduction improvements.

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

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that nothing in Senate Bill 25-182 impacts the ability of a local governmental entity to review or approve eligible materials for installations or modifications to real property.

SECTION 2. In Colorado Revised Statutes, 32-20-103, **amend** the introductory portion and (7); and **add** (4.5) as follows:

32-20-103. Definitions. As used in this ~~article~~ ARTICLE 20, unless the context otherwise requires:

(4.5) "EMBODIED CARBON IMPROVEMENT" MEANS ONE OR MORE INSTALLATIONS OR MODIFICATIONS TO REAL PROPERTY USING ELIGIBLE MATERIALS, AS DEFINED IN SECTION 24-92-118 (2)(b), THAT RESULT IN THE REDUCTION OF THE INSTALLATION'S OR MODIFICATION'S EMBODIED EMISSIONS AS ESTABLISHED IN POLICIES CREATED BY THE COLORADO ENERGY OFFICE, CREATED IN SECTION 24-38.5-101, AND IN CONSULTATION WITH THE OFFICE OF THE STATE ARCHITECT.

(7) "New energy improvement" means one or more on-site energy efficiency improvements, EMBODIED CARBON IMPROVEMENTS, renewable energy improvements, resiliency improvements, or water efficiency improvements made to eligible real property that will reduce the energy consumption of or add energy produced from renewable energy sources with regard to any portion of the eligible real property.

SECTION 3. In Colorado Revised Statutes, 39-22-551, **amend**

1 (2)(e) introductory portion and (2)(e)(XVIII); and add (2)(e)(XVIII.5) as
2 follows:

3 **39-22-551. Industrial clean energy tax credit - tax preference**
4 **performance statement - definitions - report - repeal. (2) Definitions.**

5 As used in this section, unless the context otherwise requires:

6 (e) "Greenhouse gas emissions reduction improvements" means
7 improvements that help to measurably reduce greenhouse gas emissions.

8 "Greenhouse gas emissions reduction improvements" may include one or
9 more of the following equipment purchases, improvements, and retrofits
10 RETROFITS, OR INVESTMENTS:

11 (XVIII) Material substitutions within industrial processes to
12 reduce industrial process greenhouse gas emissions by a minimum of
13 fifteen percent when compared to existing production practices; ~~and~~

14 (XVIII.5) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
15 JANUARY 1, 2026, EMBODIED CARBON INVESTMENTS, WHICH ARE
16 INVESTMENTS IN THE PRODUCTION OF ELIGIBLE MATERIALS, AS DEFINED
17 IN SECTION 24-92-118 (2)(b), THAT RESULT IN THE REDUCTION OF THE
18 ELIGIBLE MATERIALS' CRADLE-TO-GATE EMBODIED EMISSIONS, AS
19 ESTABLISHED IN POLICIES CREATED BY THE COLORADO ENERGY OFFICE,
20 CREATED IN SECTION 24-38.5-101, AND IN CONSULTATION WITH THE
21 OFFICE OF THE STATE ARCHITECT. TO QUALIFY AS AN EMBODIED CARBON
22 INVESTMENT, AN INVESTMENT MUST RESULT IN A FIFTEEN PERCENT OR
23 GREATER REDUCTION IN CRADLE-TO-GATE EMBODIED EMISSIONS OF THE
24 ELIGIBLE MATERIALS WHEN COMPARED TO THE ELIGIBLE MATERIALS'
25 CRADLE-TO-GATE BASELINE AS ESTABLISHED IN STANDARDS AND
26 GUIDELINES CREATED BY THE COLORADO ENERGY OFFICE AND IN
27 CONSULTATION WITH THE OFFICE OF THE STATE ARCHITECT. A

1 CRADLE-TO-GATE MEASUREMENT OR BASELINE CONSIDERS THE LIFE CYCLE
2 STAGES FOR A PRODUCT INCLUDING, BUT NOT LIMITED TO, THE RAW
3 MATERIAL EXTRACTION AND PROCESSING RELATED TO THE PRODUCT, AND
4 THE TRANSPORT TO THE MANUFACTURER AND MANUFACTURING OF THE
5 PRODUCT.

6 **SECTION 4. Act subject to petition - effective date.** This act
7 takes effect at 12:01 a.m. on the day following the expiration of the
8 ninety-day period after final adjournment of the general assembly; except
9 that, if a referendum petition is filed pursuant to section 1 (3) of article V
10 of the state constitution against this act or an item, section, or part of this
11 act within such period, then the act, item, section, or part will not take
12 effect unless approved by the people at the general election to be held in
13 November 2026 and, in such case, will take effect on the date of the
14 official declaration of the vote thereon by the governor.