

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0286.03 Jennifer Berman x3286

HOUSE BILL 25-1268

HOUSE SPONSORSHIP

Joseph and Froelich, Bacon, Brown, Lindsay, Willford

SENATE SPONSORSHIP

Mullica and Winter F.,

House Committees

Energy & Environment
Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE FINANCING OF A UTILITY ON-BILL PROGRAM FOR**
102 **CERTAIN ENERGY-RELATED IMPROVEMENTS, AND, IN**
103 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

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>.)

The bill requires the Colorado energy office (office) to establish a state utility on-bill repayment program to help finance certain gas and electric utilities' on-bill repayment programs (on-bill repayment program), which are programs through which energy efficiency measures, electrification measures, and energy upgrades installed at utility

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
3rd Reading Unamended
April 23, 2025

HOUSE
Amended 2nd Reading
April 22, 2025

customers' premises are financed through loans that the customers repay through their monthly utility bill payments. The bill requires gas or electric investor-owned utilities that serve more than 500,000 customers to propose a plan to the public utilities commission for establishing or expanding an existing on-bill repayment program for the commission to review and approve, disapprove, or modify.

The bill requires the state treasurer, on July 1, 2025, to make an interest-free loan in the amount of \$100 million from the unclaimed property trust fund to the state utility on-bill repayment program cash fund, which fund is created in the bill, to support the financing of the on-bill repayment programs. The office is required to pay back the loan by July 1, 2045.

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

SECTION 1. In Colorado Revised Statutes, **add** part 6 to article 38.5 of title 24 as follows:

PART 6

UTILITY ON-BILL PROGRAM

24-38.5-601. Legislative declaration. (1) THE GENERAL ASSEMBLY FINDS THAT COLORADO CONSUMERS HAVE THE POTENTIAL TO SAVE ENERGY, REDUCE GREENHOUSE GAS EMISSIONS, AND TRANSITION AWAY FROM FOSSIL FUEL INFRASTRUCTURE THROUGH ENERGY SOLUTIONS, INCLUDING ENERGY EFFICIENCY MEASURES, ELECTRIFICATION MEASURES, AND ENERGY UPGRADES.

(2) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

(a) UTILITIES BENEFIT FROM UTILITY ON-BILL PROGRAMS BECAUSE THE PROGRAMS CAN REDUCE ENERGY CONSUMPTION AND PEAK DEMAND;

(b) UTILITY CUSTOMERS WOULD BENEFIT FROM HAVING ACCESS TO SIGNIFICANT AMOUNTS OF PUBLIC AND PRIVATE CAPITAL FOR LOW-COST FINANCING SOLUTIONS FOR ENERGY-RELATED IMPROVEMENTS, INCLUDING END-OF-LIFE EQUIPMENT REPLACEMENT;

(c) UTILITY ON-BILL PROGRAMS THAT ALLOW REPAYMENTS

1 THROUGH UTILITY BILL PAYMENTS COULD EXPAND THE OPPORTUNITIES
2 FOR ELIGIBLE RETAIL UTILITY CUSTOMERS TO PURSUE ENERGY EFFICIENCY
3 MEASURES, ELECTRIFICATION MEASURES, AND ENERGY UPGRADES BY
4 ENABLING UTILITY CUSTOMERS TO PAY BACK THE UP-FRONT COSTS OF THE
5 UPGRADES AND MEASURES OVER TIME THROUGH THEIR UTILITY BILL
6 PAYMENTS AT OR BELOW INTEREST RATES THAT MAY BE AVAILABLE FROM
7 OTHER SOURCES; AND

8 (d) A PROGRAM ESTABLISHED TO PROVIDE SUCH ON-BILL
9 REPAYMENT COULD INCLUDE UTILITY-ADMINISTERED REPAYMENT OF
10 COSTS FOR WHICH THE REPAYMENT OBLIGATION REMAINS WITH THE
11 ASSOCIATED ENERGY METER AND SERVICE ADDRESS, INSTEAD OF
12 TRANSFERRING TO A CUSTOMER'S NEW LOCATION.

13 **24-38.5-602. Definitions.** AS USED IN THIS PART 6, UNLESS THE
14 CONTEXT OTHERWISE REQUIRES:

15 (1) "COMMISSION" MEANS THE PUBLIC UTILITIES COMMISSION
16 CREATED IN SECTION 40-2-101.

17 (2) "COOPERATIVE ELECTRIC ASSOCIATION" HAS THE MEANING SET
18 FORTH IN SECTION 40-9.5-102 (1).

19 (3)(a) "ELECTRIFICATION" MEANS "BENEFICIAL ELECTRIFICATION",
20 AS DEFINED IN SECTION 40-1-102 (1.2).

21 (b) "ELECTRIFICATION" INCLUDES:

22 (I) A GROUND-SOURCE OR AIR-SOURCE HEAT PUMP SYSTEM; AND

23 (II) A HEAT PUMP WATER HEATER.

24 (4) (a) "ENERGY EFFICIENCY MEASURE" MEANS ANY
25 PERMANENTLY INSTALLED IMPROVEMENT, ADDITION, OR EQUIPMENT THAT
26 ALIGNS WITH THE STATE'S GREENHOUSE GAS REDUCTION TARGETS AND
27 THAT:

1 (I) REDUCES THE CONSUMPTION OF ENERGY AT A PROGRAM
2 PARTICIPANT'S PREMISES; OR

3 (II) ENABLES A PROGRAM PARTICIPANT TO REDUCE OR SHIFT
4 ENERGY CONSUMPTION AT THE PREMISES.

5 (b) "ENERGY EFFICIENCY MEASURE" INCLUDES:

6 (I) A BUILDING SHELL MEASURE, SUCH AS AIR SEALING, WINDOW
7 FILM, ROOF REPAIR, INSULATION, OR WINDOW AND DOOR MODIFICATIONS;

8 (II) AN AUTOMATIC OR INTERNET-CONNECTED ENERGY CONTROL
9 SYSTEM; AND

10 (III) ANY OTHER MEASURE OR UPGRADE AUTHORIZED BY THE
11 OFFICE OR APPROVED BY THE COMMISSION AS PART OF A UTILITY'S
12 APPLICATION TO ESTABLISH AN ON-BILL PROGRAM OR TO USE MONEY FROM
13 THE FUND.

14 (5) "ENERGY UPGRADE" MEANS THE INSTALLATION,
15 IMPROVEMENT, OR ADDITION OF APPURTENANCE EQUIPMENT AT A
16 PROGRAM PARTICIPANT'S PREMISES TO:

17 (a) UPGRADE THE PROGRAM PARTICIPANT'S ELECTRIC PANEL TO
18 ENABLE THE INSTALLATION OF ENERGY EFFICIENCY MEASURES OR
19 ELECTRIFICATION MEASURES;

20 (b) UPGRADE OTHER ELECTRICAL EQUIPMENT THAT ENABLES THE
21 INSTALLATION OF ENERGY STORAGE, INCLUDING INSTALLATION OF A
22 SUBPANEL, CRITICAL LOAD PANEL, BACKUP SWITCH, GATEWAY, OR OTHER
23 EQUIPMENT; OR

24 (c) MAKE ANY OTHER ENERGY UPGRADE AUTHORIZED BY THE
25 OFFICE OR APPROVED BY THE COMMISSION AS PART OF A UTILITY'S
26 APPLICATION TO ESTABLISH AN ON-BILL PROGRAM.

27 (6) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN

1 SECTION 24-38.5-101 (1).

2 (7) "ON-BILL CASH FUND" OR "FUND" MEANS THE ON-BILL CASH
3 FUND CREATED IN SECTION 24-38.5-607.

4 (8) "ON-BILL PROGRAM" MEANS A UTILITY'S PROGRAM THAT
5 RECEIVES MONEY FROM THE ON-BILL CASH FUND PURSUANT TO THIS PART
6 6 AND THROUGH WHICH PROGRAM THE COSTS OF ENERGY EFFICIENCY
7 MEASURES, ELECTRIFICATION MEASURES, AND ENERGY UPGRADES
8 INSTALLED AT A PROGRAM PARTICIPANT'S PREMISES ARE REPAID THROUGH
9 MONTHLY UTILITY BILL PAYMENTS.

10 (9) "PARTICIPATING UTILITY" MEANS A UTILITY THAT RECEIVES
11 MONEY THROUGH THE PROGRAM, EITHER DIRECTLY OR BY ELECTING TO
12 HAVE ITS UTILITY-DESIGNATED ADMINISTRATOR RECEIVE MONEY;
13 THROUGH A LOAN FROM THE OFFICE; OR THROUGH PARTICIPATION IN A
14 PROGRAM ADMINISTERED BY THE PROGRAM ADMINISTRATOR IN WHICH
15 THE PROGRAM ADMINISTRATOR RECEIVES MONEY FROM THE OFFICE TO
16 MANAGE A UTILITY ON-BILL PROGRAM FOR THE UTILITY.

17 (10) "PROGRAM ADMINISTRATOR" MEANS A THIRD-PARTY ENTITY
18 THAT THE OFFICE MAY CONTRACT WITH TO PLAN, ADMINISTER, OPERATE,
19 AND MANAGE A UTILITY ON-BILL PROGRAM FOR PARTICIPATING UTILITIES
20 THAT VOLUNTARILY CHOOSE TO CONTRACT WITH THE PROGRAM
21 ADMINISTRATOR AS THEIR UTILITY-DESIGNATED ADMINISTRATOR.

22 (11) "PROGRAM PARTICIPANT" MEANS A PARTICIPATING UTILITY
23 CUSTOMER THAT HAS REQUESTED TO PARTICIPATE IN A PARTICIPATING
24 UTILITY'S ON-BILL PROGRAM AND THAT THE PARTICIPATING UTILITY,
25 EITHER DIRECTLY OR THROUGH ITS UTILITY-DESIGNATED ADMINISTRATOR,
26 HAS DETERMINED IS ELIGIBLE FOR PROGRAM PARTICIPATION.

27 (12) "UNCLAIMED PROPERTY TRUST FUND" MEANS THE

1 UNCLAIMED PROPERTY TRUST FUND CREATED IN SECTION 38-13-801.

2 (13) "UTILITY" MEANS AN ELECTRIC UTILITY, A GAS UTILITY, OR A
3 COMBINED FUEL UTILITY AND INCLUDES:

4 (a) AN INVESTOR-OWNED UTILITY;

5 (b) A COOPERATIVE ELECTRIC ASSOCIATION; AND

6 (c) A MUNICIPALLY OWNED UTILITY.

7 (14) (a) "UTILITY-DESIGNATED ADMINISTRATOR" MEANS A
8 THIRD-PARTY ENTITY THAT A UTILITY MAY CONTRACT WITH TO PLAN,
9 ADMINISTER, OPERATE, AND MANAGE THE UTILITY'S ON-BILL PROGRAM.

10 (b) "UTILITY-DESIGNATED ADMINISTRATOR" INCLUDES THE
11 PROGRAM ADMINISTRATOR, AS APPLICABLE.

12 **24-38.5-603. On-bill programs - participation process -**
13 **reporting.** (1) FOR THE PURPOSE OF ALLOCATING MONEY TO PROVIDE
14 CAPITAL FOR PARTICIPATING UTILITIES' ON-BILL PROGRAMS, THE OFFICE
15 SHALL ESTABLISH A PROCESS THROUGH WHICH A UTILITY MAY REQUEST TO
16 BECOME A PARTICIPATING UTILITY. THE OFFICE MAY DESIGN REQUEST
17 FORMS OR GUIDANCE DOCUMENTS FOR THE PROCESS AND SHALL POST ANY
18 SUCH FORMS AND GUIDANCE DOCUMENTS ON ITS PUBLIC WEBSITE.

19 (2) (a) PURSUANT TO AN AGREEMENT BETWEEN THE OFFICE AND
20 A PARTICIPATING UTILITY, A UTILITY-DESIGNATED ADMINISTRATOR, OR
21 THE PROGRAM ADMINISTRATOR, MONEY PROVIDED TO THE PARTICIPATING
22 UTILITY, A UTILITY-DESIGNATED ADMINISTRATOR, OR THE PROGRAM
23 ADMINISTRATOR TO HELP ESTABLISH OR CONTINUE THE UTILITY'S ON-BILL
24 PROGRAM MAY BE USED TO SUPPORT ENERGY EFFICIENCY MEASURES,
25 ELECTRIFICATION MEASURES, AND ENERGY UPGRADES AT A PROGRAM
26 PARTICIPANT'S PREMISES THAT ARE LOCATED AND REMAIN IN THE
27 UTILITY'S SERVICE TERRITORY.

1 (b) IN AN AGREEMENT ENTERED INTO PURSUANT TO THIS
2 SUBSECTION (2), THE AGREEMENT MUST INCLUDE REQUIREMENTS THAT,
3 NO LATER THAN THREE YEARS AFTER MONEY IS LOANED TO THE
4 PARTICIPATING UTILITY, A UTILITY-DESIGNATED ADMINISTRATOR, OR THE
5 PROGRAM ADMINISTRATOR, THE PARTICIPATING UTILITY, A
6 UTILITY-DESIGNATED ADMINISTRATOR, OR THE PROGRAM ADMINISTRATOR
7 SHALL BEGIN MAKING ANNUAL PAYMENTS OF THE PRINCIPAL AND
8 INTEREST OF THE AMOUNT LOANED AT THE INTEREST RATE SPECIFIED IN
9 SUBSECTION (2)(c) OF THIS SECTION, WHICH MONEY THE STATE
10 TREASURER SHALL CREDIT DIRECTLY TO THE UNCLAIMED PROPERTY TRUST
11 FUND. AN AGREEMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (2)
12 MUST REQUIRE THAT THE LOAN IS AMORTIZED OVER A MAXIMUM OF
13 TWENTY YEARS.

14 (c) A LOAN MADE TO A PARTICIPATING UTILITY OR ITS UTILITY
15 DESIGNATED ADMINISTRATOR FROM THE ON-BILL CASH FUND MUST
16 INCLUDE AN INTEREST RATE OF ONE PERCENT, AND INTEREST PAYMENTS
17 MUST BE CREDITED TO THE UNCLAIMED PROPERTY TRUST FUND IF MONEY
18 IS LOANED FROM THE UNCLAIMED PROPERTY TRUST FUND TO THE ON-BILL
19 CASH FUND PURSUANT TO SECTION 38-13-801 (3.3). IF MONEY IS INSTEAD
20 TRANSFERRED FROM THE ON-BILL FINANCING FUND CREATED IN SECTION
21 24-36-125 (7), THE ONE-PERCENT INTEREST RATE REQUIREMENT DOES NOT
22 APPLY.

23 (3) (a) THE OFFICE MAY ISSUE GUIDANCE ON PROGRAM
24 REQUIREMENTS OR PLACE CONTRACT LIMITATIONS ON THE USE OF LOANS
25 FROM THE FUND, AS APPROPRIATE, FOR DEVELOPMENT, IMPLEMENTATION,
26 AND UPDATES OF CONSUMER PROTECTION AND EQUITY REQUIREMENTS TO
27 ENSURE THE SUCCESS OF THE PROGRAM, WHILE BALANCING:

1 (I) RISK TO LENDERS, UTILITIES, UTILITY-DESIGNATED
2 ADMINISTRATORS, AND CUSTOMERS;

3 (II) EQUITY;

4 (III) REPAYMENT TERMS; AND

5 (IV) UTILITY BILL IMPACTS FOR PROGRAM PARTICIPANTS AND
6 NONPARTICIPANTS.

7 (b) THE OFFICE SHALL CONSULT WITH A PARTICIPATING UTILITY,
8 ITS UTILITY-DESIGNATED ADMINISTRATOR, OR THE PROGRAM
9 ADMINISTRATOR SELECTED BY THE OFFICE PURSUANT TO SECTION
10 24-38.5-604, AS APPROPRIATE, IN DEVELOPING GUIDANCE ON PROGRAM
11 REQUIREMENTS, INCLUDING CONSUMER PROTECTION AND EQUITY
12 REQUIREMENTS, WHICH REQUIREMENTS MAY INCLUDE:

13 (I) THE RATE CLASSES OF UTILITY CUSTOMERS THAT MAY
14 PARTICIPATE IN THE UTILITY'S ON-BILL PROGRAM, WHICH RATE CLASSES
15 MUST, AT A MINIMUM, INCLUDE RESIDENTIAL CUSTOMERS;

16 (II) THE ENERGY EFFICIENCY MEASURES, ELECTRIFICATION
17 MEASURES, AND ENERGY UPGRADES THAT THE PARTICIPATING UTILITY
18 MAY AUTHORIZE A PROGRAM PARTICIPANT TO FINANCE THROUGH AN
19 ON-BILL PROGRAM;

20 (III) A CAP ON THE TOTAL FINANCING THAT MAY BE MADE
21 AVAILABLE TO A RESIDENTIAL UTILITY CUSTOMER, NOT TO EXCEED FIFTY
22 THOUSAND DOLLARS;

23 (IV) FOR PARTICIPATING UTILITIES THAT ARE NOT REGULATED BY
24 THE COMMISSION, THE METHOD THAT A PARTICIPATING UTILITY MAY USE
25 TO RECOVER PROGRAM ADMINISTRATION COSTS; AND

26 (V) REQUIREMENTS REGARDING TRANSFERS OF FINANCIAL
27 RESPONSIBILITY WHEN AN OWNER OR TENANT VACATES A BUILDING

1 SUBJECT TO A UTILITY'S ON-BILL PROGRAM, INCLUDING A REQUIREMENT
2 THAT A PROPERTY OWNER THAT IS A PARTICIPATING CUSTOMER OR IS THE
3 OWNER OF A PROPERTY FOR WHICH THERE IS AN EXISTING REPAYMENT
4 OBLIGATION ON THE UTILITY BILL RELATED TO PARTICIPATION IN A
5 PROGRAM SHALL AGREE TO NOTIFY A PROSPECTIVE TENANT OF THE
6 ON-BILL REPAYMENT OBLIGATION, PRIOR TO THE EXECUTION OF A LEASE.

7 (c) FOR CONTRACTS WITH A REGULATED PARTICIPATING UTILITY
8 OR ITS UTILITY-DESIGNATED ADMINISTRATOR, THE FINAL CONTRACT MUST
9 CONFORM WITH ANY FINAL APPROVAL FROM THE COMMISSION.

10 (d) A PARTICIPATING UTILITY, ITS UTILITY-DESIGNATED
11 ADMINISTRATOR, OR THE PROGRAM ADMINISTRATOR SHALL BE
12 RESPONSIBLE FOR REPAYING THE AMOUNT OF FUNDING PROVIDED FROM
13 THE ON-BILL CASH FUND TO THE PARTICIPATING UTILITY, ITS
14 UTILITY-DESIGNATED ADMINISTRATOR, OR THE PROGRAM
15 ADMINISTRATOR.

16 (e) IN DEVELOPING GUIDANCE ON PROGRAM REQUIREMENTS
17 PURSUANT TO THIS SUBSECTION (3), THE OFFICE SHALL CREATE AS MUCH
18 STANDARDIZATION AS POSSIBLE AMONG NEWLY PROPOSED AND ALREADY
19 EXISTING TARIFFED ON-BILL PROGRAMS, WITH A PARTICULAR FOCUS ON
20 EASING THE BURDEN OF PARTICIPATION BY CONTRACTORS WORKING
21 ACROSS MULTIPLE UTILITY TERRITORIES.

22 (4) WHEN CONTRACTING WITH A PARTICIPATING UTILITY, A
23 UTILITY-DESIGNATED ADMINISTRATOR, OR THE PROGRAM ADMINISTRATOR
24 REGARDING AN ON-BILL PROGRAM ESTABLISHED AFTER JULY 1, 2025, THE
25 OFFICE SHALL STRUCTURE THE CONTRACT AS A TARIFFED ON-BILL
26 PROGRAM.

27 (5) THE OFFICE MAY PLACE CONTRACT LIMITATIONS ON THE USE

1 OF LOANS FROM THE FUND, AS APPROPRIATE, FOR THE DEVELOPMENT,
2 IMPLEMENTATION, AND UPDATES OF CONSUMER PROTECTION AND EQUITY
3 REQUIREMENTS TO ENSURE THE SUCCESS OF THE PROGRAM, WHILE
4 BALANCING RISK TO LENDERS, PARTICIPATING UTILITIES,
5 UTILITY-DESIGNATED ADMINISTRATORS, AND CUSTOMERS; EQUITY;
6 REPAYMENT TERMS; AND UTILITY BILL IMPACTS FOR PROGRAM
7 PARTICIPANTS. THE OFFICE SHALL CONSULT WITH THE PARTICIPATING
8 UTILITY, THE PARTICIPATING UTILITY'S UTILITY-DESIGNATED
9 ADMINISTRATOR, OR A PROGRAM ADMINISTRATOR SELECTED BY THE
10 OFFICE PURSUANT TO SECTION 24-38.5-604, AS APPROPRIATE, IN
11 DEVELOPING THE CONSUMER PROTECTION AND EQUITY REQUIREMENTS,
12 WHICH REQUIREMENTS MAY INCLUDE:

13 (a) QUALITY INSTALLATION VERIFICATION, INCLUDING THE
14 CERTIFICATIONS AND RELATED ENFORCEMENT MECHANISMS NEEDED TO
15 ENSURE AND VERIFY QUALITY INSTALLATIONS;

16 (b) PROCEDURES FOR ADDRESSING FAILING EQUIPMENT;

17 (c) VENDOR OR CONTRACTOR SELECTION AND APPROVAL
18 PROCESSES, INCLUDING LABOR STANDARDS AND A PROCESS FOR
19 ENFORCEMENT OF THE LABOR STANDARDS;

20 (d) ELIGIBILITY REQUIREMENTS FOR PROGRAM PARTICIPANTS;

21 (e) PROTECTIONS FOR TENANTS WHOSE LANDLORDS FINANCE
22 ENERGY EFFICIENCY MEASURES THROUGH A PROGRAM, INCLUDING:

23 (I) REQUIREMENTS TO NOTIFY TENANTS OF REPAYMENT
24 OBLIGATIONS IN LEASE AGREEMENTS;

25 (II) PROCESSES FOR PROPERTY OWNERS TO INSTALL MEASURES AT
26 TENANT-OCCUPIED LOCATIONS; AND

27 (III) OTHER MEASURES AS APPROPRIATE;

1 (f) PROGRAM DESIGN TO MANAGE THE RISK OF UTILITY
2 DISCONNECTION;

3 (g) THE FINANCING TERMS AVAILABLE FOR DIFFERENT TYPES OF
4 ENERGY EFFICIENCY MEASURES AND ENERGY UPGRADES; AND

5 (h) THE TREATMENT OF TRANSFER OF PROPERTY OWNERSHIP,
6 TREATMENT OF DEBTS TO A UTILITY OR ITS UTILITY-DESIGNATED
7 ADMINISTRATOR, AND PROPERTY TREATMENT AT TRANSFER.

8 (6) (a) EXCEPT AS PROVIDED IN SUBSECTION (6)(b) OF THIS
9 SECTION, ON OR BEFORE THE FIRST JANUARY 31 FOLLOWING THE FIFTH
10 COMPLETED YEAR OF PROGRAM IMPLEMENTATION, OR ONCE A
11 PARTICIPATING UTILITY HAS FINANCED AT LEAST TEN MILLION DOLLARS IN
12 ENERGY EFFICIENCY MEASURES, ELECTRIFICATION MEASURES, OR ENERGY
13 UPGRADES WITH FUNDING FROM THE ON-BILL CASH FUND, WHICHEVER
14 OCCURS FIRST, AND ON OR BEFORE JANUARY 31 OF EACH OF THE THREE
15 YEARS THEREAFTER, A PARTICIPATING UTILITY OR ITS
16 UTILITY-DESIGNATED ADMINISTRATOR SHALL PREPARE AND SUBMIT TO
17 THE OFFICE A REPORT THAT TRACKS THE TOTAL AMOUNT OF ENERGY
18 EFFICIENCY MEASURES, ELECTRIFICATION MEASURES, AND ENERGY
19 UPGRADES FINANCED; THE NUMBER OF PARTICIPATING CUSTOMERS
20 BROKEN DOWN BY INTEREST RATE, AS APPLICABLE; AND CUMULATIVE
21 PROGRAM PARTICIPATION DEFAULT RATES, UTILITY DISCONNECTIONS,
22 COMPLIANCE WITH LABOR STANDARDS, AND OTHER METRICS THAT THE
23 OFFICE DEEMS RELEVANT TO THE CONSUMER PROTECTION AND EQUITY
24 REQUIREMENTS FOR THE PROGRAM. THE OFFICE SHALL MAKE THE REPORTS
25 PUBLICLY AVAILABLE ON ITS PUBLIC WEBSITE.

26 (b) A REGULATED PARTICIPATING UTILITY THAT IS REQUIRED TO
27 FILE A REPORT WITH THE COMMISSION REGARDING AN ON-BILL PROGRAM

1 NEED NOT PREPARE AND SUBMIT TO THE OFFICE A REPORT PURSUANT TO
2 SUBSECTION (6)(a) OF THIS SECTION, SO LONG AS THE UTILITY REPORTS
3 INFORMATION IN DEMAND-SIDE MANAGEMENT REPORTING OR IN ANOTHER
4 REPORT, AS DIRECTED BY THE COMMISSION, REGARDING PROGRAM
5 PARTICIPANTS' BAD DEBT OR LACK OF FULL PAYMENT FOR UTILITY SERVICE
6 AND THE REPAYMENT OBLIGATION ASSOCIATED WITH THE UTILITY'S
7 ON-BILL PROGRAM.

8 (7) FOR A PARTICIPATING UTILITY WITH MORE THAN FIVE HUNDRED
9 THOUSAND CUSTOMERS IN THE STATE THAT ELECTS TO USE A
10 UTILITY-DESIGNATED ADMINISTRATOR FOR ITS ON-BILL PROGRAM:

11 (a) A LOAN FROM THE ON-BILL CASH FUND SHALL BE MADE
12 DIRECTLY TO THE UTILITY-DESIGNATED ADMINISTRATOR AND SHALL NOT
13 BE MADE IN A MANNER THAT REQUIRES THE LOAN TO BE REFLECTED IN THE
14 FINANCIAL STATEMENTS OF THE PARTICIPATING UTILITY;

15 (b) THE PARTICIPATING UTILITY SHALL ACT ONLY AS THE
16 COLLECTION AGENT FOR ITS UTILITY-DESIGNATED ADMINISTRATOR; AND

17 (c) THE UTILITY-DESIGNATED ADMINISTRATOR MAY ADDRESS THE
18 RISK OF LOSSES ASSOCIATED WITH THE LOANS AND BAD DEBT IN THE
19 INTEREST RATES CHARGED TO PROGRAM PARTICIPANTS.

20 **24-38.5-604. Authority to contract with program**
21 **administrators - selection criteria - program design requirements.**

22 (1) IN ACCORDANCE WITH THE REQUIREMENTS OF THE "PROCUREMENT
23 CODE", ARTICLES 101 TO 112 OF THIS TITLE 24, THE OFFICE MAY
24 CONTRACT WITH ONE OR MORE INDEPENDENT THIRD-PARTY ENTITIES TO
25 SERVE AS PROGRAM ADMINISTRATORS TO FACILITATE AND HELP
26 ADMINISTER UTILITY ON-BILL PROGRAMS FOR PARTICIPATING UTILITIES.
27 THE OFFICE SHALL CONTRACT ONLY WITH ONE OR MORE OF THE

1 FOLLOWING ENTITIES TO SERVE AS PROGRAM ADMINISTRATORS:

2 (a) A BANK;

3 (b) A NONDEPOSITORY COMMUNITY DEVELOPMENT FINANCIAL

4 INSTITUTION;

5 (c) A BUSINESS DEVELOPMENT CORPORATION; OR

6 (d) A NONPROFIT ORGANIZATION.

7 (2) IN SELECTING A PROGRAM ADMINISTRATOR PURSUANT TO THIS

8 SECTION, THE OFFICE SHALL CONSIDER THE ABILITY OF A POTENTIAL

9 PROGRAM ADMINISTRATOR TO EXPAND THE PROGRAM, INCLUDING BY

10 EXPANDING THE CAPITAL AVAILABLE FOR USE IN THE PROGRAM THROUGH

11 PUBLIC AND PRIVATE CAPITAL SOURCES.

12 (3) THE OFFICE, IN CONSULTATION WITH A SELECTED PROGRAM

13 ADMINISTRATOR, MAY DETERMINE THE DESIGN REQUIREMENTS FOR THE

14 PROGRAM, WITH THE GOAL OF OFFERING CUSTOMERS THE LOWEST

15 REASONABLE INTEREST RATES, INCLUDING:

16 (a) A REQUIREMENT THAT A PARTICIPATING UTILITY'S ON-BILL

17 PROGRAM PROVIDE FOR STANDARDIZATION OF ASPECTS OF THE UTILITY'S

18 PROGRAM, SUCH AS FORMS USED TO APPLY FOR PARTICIPATION IN THE

19 UTILITY'S PROGRAM, BUT OTHERWISE ALLOW FOR FLEXIBILITY IN

20 IMPLEMENTING THE UTILITY'S PROGRAM TO ALLOW FOR DIFFERENT

21 REQUIREMENTS BASED ON WHICH ENERGY EFFICIENCY MEASURES,

22 ELECTRIFICATION MEASURES, AND ENERGY UPGRADES A PROGRAM

23 PARTICIPANT CHOOSES;

24 (b) A REQUIREMENT THAT THE ENERGY EFFICIENCY MEASURES,

25 ELECTRIFICATION MEASURES, AND ENERGY UPGRADES AUTHORIZED FOR

26 A PARTICIPATING UTILITY'S ON-BILL PROGRAM COMPLY WITH PROGRAM

27 REQUIREMENTS;

1 (c) A REQUIREMENT THAT A PROGRAM ADMINISTRATOR PURSUE
2 OTHER SOURCES OF PUBLIC AND PRIVATE CAPITAL, WITH A GOAL OF
3 INCREASING AVAILABLE STATEWIDE FUNDING FOR ON-BILL PROGRAMS TO
4 ONE BILLION DOLLARS BY 2030;

5 (d) A REQUIREMENT TO REDUCE CUSTOMER INTEREST RATES TO
6 THE LOWEST REASONABLE RATES AND TO REDUCE RISK OF DEFAULT; AND

7 (e) REQUIREMENTS REGARDING HOW AVAILABLE REBATES MAY BE
8 APPLIED TO AN ENERGY EFFICIENCY MEASURE, ELECTRIFICATION
9 MEASURE, OR ENERGY UPGRADE PROJECT BEFORE FINANCING.

10 **24-38.5-605. Transfers of financial responsibility - notification**
11 **required - utility's obligation - program administrator's obligation.**

12 (1) THE OFFICE SHALL INCLUDE A REQUIREMENT IN ANY CONTRACT
13 ENTERED INTO WITH A PARTICIPATING UTILITY, A UTILITY-DESIGNATED
14 ADMINISTRATOR, OR THE PROGRAM ADMINISTRATOR REGARDING THE USE
15 OF MONEY FROM THE ON-BILL CASH FUND THAT THE UTILITY, A
16 UTILITY-DESIGNATED ADMINISTRATOR, OR THE PROGRAM ADMINISTRATOR
17 THAT RECEIVES FINANCING FROM THE ON-BILL CASH FUND SHALL EITHER
18 DIRECTLY OR THROUGH A UTILITY-DESIGNATED ADMINISTRATOR RECORD
19 A NOTICE WITH THE COUNTY CLERK AND RECORDER FOR INCLUSION IN THE
20 PUBLIC RECORDS OF THE COUNTY IN WHICH A PROGRAM PARTICIPANT'S
21 PROPERTY IS LOCATED AGAINST THE REAL PROPERTY TITLE AS FOLLOWS:

22 (a) (I) WHERE THE FINANCING IS ATTACHED TO THE METERED
23 UTILITY SERVICE AND IS NOT A SECURITY INTEREST IN THE PROPERTY, THE
24 OFFICE SHALL ESTABLISH A REQUIREMENT THAT THE PARTICIPATING
25 UTILITY, A UTILITY-DESIGNATED ADMINISTRATOR, OR THE PROGRAM
26 ADMINISTRATOR, WITHIN THIRTY DAYS AFTER THE PROVISION OF
27 FINANCING TO A PROGRAM PARTICIPANT, SHALL RECORD A NOTICE OF THE

1 ON-BILL REPAYMENT OBLIGATION, WHICH NOTICE MUST INCLUDE A LEGAL
2 DESCRIPTION OF THE REAL PROPERTY SUBJECT TO THE FINANCING THAT IS
3 ATTACHED TO THE METERED UTILITY SERVICE, THE NAME AND ADDRESS
4 OF THE UTILITY CUSTOMER, THE PRINCIPAL AMOUNT FINANCED, THE TERMS
5 OF REPAYMENT, AND A STATEMENT THAT THE REPAYMENT OBLIGATION
6 DOES NOT CONSTITUTE A LIEN ON THE PROPERTY BUT IS INTENDED TO GIVE
7 A PURCHASER OF THE PROPERTY NOTICE THAT THE PROPERTY IS SUBJECT
8 TO AN ON-BILL REPAYMENT OBLIGATION.

9 (II) THE OFFICE SHALL ALSO ESTABLISH A REQUIREMENT THAT THE
10 PARTICIPATING UTILITY, A UTILITY-DESIGNATED ADMINISTRATOR, OR THE
11 PROGRAM ADMINISTRATOR, WITHIN THIRTY DAYS AFTER THE FINANCING
12 HAS BEEN COMPLETELY REPAID, SHALL FILE A NOTICE WITH THE COUNTY
13 CLERK AND RECORDER FOR INCLUSION IN THE PUBLIC RECORDS OF THE
14 COUNTY IN WHICH THE PROPERTY IS LOCATED INDICATING THAT THE
15 FINANCING REPAYMENT IS COMPLETE AND THAT THERE ARE NO FURTHER
16 FINANCIAL OBLIGATIONS.

17 (III) AT THE POINT OF SALE OF THE REAL PROPERTY SUBJECT TO
18 THE ON-BILL REPAYMENT OBLIGATION, THE ON-BILL REPAYMENT
19 OBLIGATION MAY TRANSFER WITH THE METERED UTILITY SERVICE UNLESS
20 OTHERWISE REQUIRED BY FEDERAL LAW OR REGULATION.

21 (b) WHERE THE FINANCING IS A LOAN TO THE PROPERTY OWNER
22 SECURED BY THE REAL PROPERTY, THE PARTICIPATING UTILITY, A
23 UTILITY-DESIGNATED ADMINISTRATOR, OR THE PROGRAM
24 ADMINISTRATOR, WITHIN THIRTY DAYS AFTER THE PROVISION OF
25 FINANCING TO A PROGRAM PARTICIPANT, SHALL RECORD A LIEN THAT
26 MUST INCLUDE THE LEGAL DESCRIPTION OF THE REAL PROPERTY SUBJECT
27 TO THE LOAN IN THE PUBLIC RECORDS OF THE COUNTY IN WHICH THE

1 PROPERTY IS LOCATED. THE LIEN DOES NOT ESTABLISH A RIGHT TO
2 FORECLOSE ON THE PROPERTY. THERE SHALL BE A REQUIREMENT THAT
3 THE FINANCING LOAN TO THE PROPERTY OWNER BE PAID OFF AT THE POINT
4 OF SALE OF THE REAL PROPERTY SUBJECT TO THE LOAN. WITHIN THIRTY
5 DAYS AFTER THE FINANCING LOAN HAS BEEN COMPLETELY REPAID, THE
6 PARTICIPATING UTILITY, A UTILITY-DESIGNATED ADMINISTRATOR, OR THE
7 PROGRAM ADMINISTRATOR SHALL FILE A RELEASE OF THE LIEN IN THE
8 PUBLIC RECORDS OF THE COUNTY IN WHICH THE PROPERTY IS LOCATED.
9 THIS SUBSECTION (1)(b) DOES NOT APPLY IF A LOAN IS STRUCTURED AS AN
10 UNSECURED LOAN TO AN INDIVIDUAL CUSTOMER, WHICH UNSECURED
11 LOAN CREATES NO RECOURSE AGAINST THE PROPERTY, SUBSEQUENT
12 PROPERTY OWNERS, OR A FUTURE UTILITY CUSTOMER LOCATED AT THE
13 PROPERTY.

14 (2) A COUNTY CLERK AND RECORDER SHALL RECORD A NOTICE
15 FILED PURSUANT TO THIS SECTION IN A MANNER THAT WILL APPEAR IN A
16 TITLE SEARCH OF THE PROPERTY.

17 **24-38.5-606. Participation by utilities - program**
18 **administration.** (1) A PARTICIPATING UTILITY OR ITS
19 UTILITY-DESIGNATED ADMINISTRATOR MAY SEEK MONEY FROM THE
20 ON-BILL CASH FUND USING A PROCESS APPROVED BY THE OFFICE TO
21 ESTABLISH ITS OWN ON-BILL PROGRAM OR SUPPORT AN EXISTING ON-BILL
22 PROGRAM.

23 (2) A UTILITY PARTICIPATING IN THE PROGRAM PURSUANT TO THIS
24 SECTION MAY DESIGNATE AN ADMINISTRATOR WITH WRITTEN APPROVAL
25 FROM THE OFFICE OR MAY CHOOSE TO DESIGNATE THE PROGRAM
26 ADMINISTRATOR SELECTED BY THE OFFICE AS ITS UTILITY-DESIGNATED
27 ADMINISTRATOR.

1 (3) IF THE OFFICE CONTRACTS WITH A PROGRAM ADMINISTRATOR
2 PURSUANT TO SECTION 24-38.5-604, A PARTICIPATING UTILITY THAT, ON
3 THE EFFECTIVE DATE OF THIS SECTION, HAS AN EXISTING ON-BILL
4 PROGRAM AND ITS OWN UTILITY-DESIGNATED ADMINISTRATOR MAY SEEK
5 WRITTEN APPROVAL FROM THE OFFICE TO TRANSFER THE ADMINISTRATION
6 OF ITS ON-BILL PROGRAM TO THE PROGRAM ADMINISTRATOR.

7 **24-38.5-607. On-bill cash fund - creation.** (1) THE ON-BILL
8 CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF
9 MONEY CREDITED TO THE FUND PURSUANT TO SECTION 38-13-801 (3.3)
10 AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE
11 OR TRANSFER TO THE FUND.

12 (2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
13 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
14 ON-BILL CASH FUND TO THE FUND.

15 (3) MONEY IN THE ON-BILL CASH FUND IS CONTINUOUSLY
16 APPROPRIATED TO THE OFFICE TO DEFRAY THE COSTS INCURRED BY THE
17 OFFICE IN ADMINISTERING THE PROGRAM AND IN SUPPORTING UTILITY AND
18 BUILDING DECARBONIZATION.

19 (4) (a) A LOAN MADE FROM THE UNCLAIMED PROPERTY TRUST
20 FUND TO A SEPARATE FUND ASSOCIATED WITH A STATE OFFICE IS AN
21 INTERFUND LOAN ACCORDING TO GOVERNMENTAL ACCOUNTING
22 STANDARDS BOARD CODIFICATION 1800.102, MEANING THAT THE LOAN IS
23 NOT CLASSIFIED AS REVENUE AND IS BOOKED AS AN INTERFUND
24 RECEIVABLE OR PAYABLE.

25 (b) A LOAN MADE FROM THE UNCLAIMED PROPERTY TRUST FUND
26 TO A SEPARATE FUND ASSOCIATED WITH A STATE OFFICE IS NOT STATE
27 FISCAL YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE

1 REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DOES NOT
2 COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED
3 BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS
4 STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(G).

5 **SECTION 2.** In Colorado Revised Statutes, **add** 40-2-140 as
6 follows:

7 **40-2-140. Utility on-bill program - review by commission -**
8 **definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
9 OTHERWISE REQUIRES:

10 (a) "COMBINED FUEL CUSTOMER" MEANS A RESIDENTIAL UTILITY
11 CUSTOMER THAT TAKES BOTH ELECTRIC AND GAS SERVICE FROM THE
12 UTILITY.

13 (b) "ON-BILL CASH FUND" HAS THE MEANING SET FORTH IN
14 SECTION 24-38.5-602 (7).

15 (c) "ON-BILL PROGRAM" HAS THE MEANING SET FORTH IN SECTION
16 24-38.5-602 (8).

17 (2) (a) (I) EXCEPT AS PROVIDED IN SUBSECTION (2)(a)(II) OF THIS
18 SECTION, ON OR BEFORE DECEMBER 31, 2027, A GAS OR ELECTRIC UTILITY
19 OR A UTILITY WITH COMBINED FUEL CUSTOMERS WITH MORE THAN FIVE
20 HUNDRED THOUSAND CUSTOMERS IN THE STATE SHALL FILE WITH THE
21 COMMISSION AN APPLICATION THAT EITHER PROPOSES TO USE FUNDING
22 FROM THE ON-BILL CASH FUND TO ESTABLISH OR MODIFY AN EXISTING
23 ON-BILL PROGRAM OR PROPOSES NOT TO USE FUNDING FROM THE ON-BILL
24 CASH FUND.

25 (II) IF THE UTILITY PROPOSES NOT TO USE FUNDING FROM THE
26 ON-BILL CASH FUND, THE UTILITY'S FILING MUST DEMONSTRATE WHY THE
27 UTILITY'S USE OF THE FUNDING WOULD NOT BE IN THE PUBLIC INTEREST.

1 (III) IF THE UTILITY PROPOSES TO USE FUNDING FROM THE ON-BILL
2 CASH FUND, THE UTILITY MAY PROPOSE TO USE THE FUNDING BY
3 RECEIVING FUNDING DIRECTLY FROM THE OFFICE, ELECTING TO HAVE A
4 UTILITY-DESIGNATED ADMINISTRATOR RECEIVE FUNDING FROM THE
5 OFFICE, OR BY PARTICIPATING IN A PROGRAM ADMINISTERED BY THE
6 PROGRAM ADMINISTRATOR.

7 (b) UNLESS OTHERWISE PART OF A UTILITY ON-BILL PROGRAM
8 APPROVED BY THE COMMISSION AND NOT IN CONFLICT WITH ANY
9 COMMISSION-APPROVED ON-BILL PROGRAM OR OTHER COMMISSION
10 DECISION, A UTILITY'S FILING SUBMITTED PURSUANT TO SUBSECTION
11 (2)(a)(I) OF THIS SECTION MUST:

12 (I) PROPOSE TO MAKE THE UTILITY'S ON-BILL PROGRAM AVAILABLE
13 TO ELECTRIC-ONLY RETAIL CUSTOMERS, GAS-ONLY RETAIL CUSTOMERS,
14 AND COMBINED FUEL CUSTOMERS;

15 (II) DESCRIBE HOW THE UTILITY WOULD USE MONEY FROM THE
16 ON-BILL CASH FUND TO IMPLEMENT OR MODIFY AN ON-BILL PROGRAM;

17 (III) DESCRIBE HOW THE UTILITY PROPOSES TO TREAT SITUATIONS
18 INVOLVING INSUFFICIENT REPAYMENT BY PARTICIPATING CUSTOMERS;

19 (IV) DESCRIBE HOW THE UTILITY WILL OFFER THE ON-BILL
20 PROGRAM TO ITS RESIDENTIAL CUSTOMERS;

21 (V) INCLUDE INFORMATION CONCERNING HOW THE UTILITY MAY
22 ALLOW NONPROFIT ORGANIZATIONS, STATE AND LOCAL GOVERNMENTS,
23 MULTIFAMILY DWELLINGS, AND HOMEOWNERS' ASSOCIATIONS TO
24 PARTICIPATE IN THE ON-BILL PROGRAM; AND

25 (VI) DESCRIBE HOW THE UTILITY MAY USE FUNDING FROM THE
26 ON-BILL CASH FUND OR OTHER SOURCES OF FUNDING TO REDUCE INTEREST
27 RATES, ESPECIALLY FOR CUSTOMERS IN LOW- AND MODERATE-INCOME

1 HOUSEHOLDS.

2 (3) A UTILITY WITH MORE THAN FIVE HUNDRED THOUSAND
3 CUSTOMERS IN THE STATE MAY RECOVER ALL ON-BILL PROGRAM COSTS IN
4 ACCORDANCE WITH PART 6 OF ARTICLE 38.5 OF TITLE 24. A UTILITY SHALL
5 RECOVER ADMINISTRATIVE COSTS THROUGH BASE RATES OR AN
6 APPLICABLE RIDER BUT NOT THROUGH THE INTEREST RATE ESTABLISHED
7 FOR MONEY MADE AVAILABLE THROUGH THE ON-BILL PROGRAM. A
8 UTILITY SHALL RECOVER ITS ACTUAL ADMINISTRATIVE COSTS ASSOCIATED
9 WITH ITS ON-BILL PROGRAM AS APPROVED BY THE COMMISSION. A UTILITY
10 MAY RECOVER AN ON-BILL PROGRAM ADMINISTRATION FEE, AS DEFINED
11 IN SECTION 24-38.5-123 (2)(p), AND COSTS ASSOCIATED WITH MANAGING
12 THE RISK OF NONPAYMENT BY PARTICIPANTS THROUGH BASE RATES, AN
13 APPLICABLE RIDER, OR THE RATE ESTABLISHED FOR MONEY MADE
14 AVAILABLE THROUGH THE ON-BILL PROGRAM, AS APPROVED BY THE
15 COMMISSION. A UTILITY MAY PROPOSE OR MAY MAINTAIN A METHOD TO
16 RECOVER APPROVED ADMINISTRATIVE COSTS, INCLUDING THE USE OF AN
17 EXISTING RIDER, AS APPROVED BY THE COMMISSION.

18 (4) A UTILITY WITH MORE THAN FIVE HUNDRED THOUSAND
19 CUSTOMERS IN THE STATE THAT, BY JUNE 1, 2026, DOES NOT HAVE AN
20 EXISTING ON-BILL PROGRAM THAT HAS BEEN APPROVED BY THE
21 COMMISSION SHALL FILE THE APPLICATION DESCRIBED IN SUBSECTION
22 (2)(a) OF THIS SECTION ON OR BEFORE DECEMBER 31, 2026.

23 (5) (a) THE COMMISSION SHALL REVIEW AND APPROVE,
24 DISAPPROVE, OR APPROVE WITH MODIFICATIONS A UTILITY'S APPLICATION
25 SUBMITTED PURSUANT TO SUBSECTION (2) OF THIS SECTION. IN REVIEWING
26 AN APPLICATION, THE COMMISSION SHALL DETERMINE WHETHER THE
27 UTILITY'S PROPOSED PLAN FOR PARTICIPATION IN A UTILITY ON-BILL

1 PROGRAM IS IN THE PUBLIC INTEREST, AND, IF THE COMMISSION
2 DETERMINES THAT THE PROPOSED PLAN IS NOT IN THE PUBLIC INTEREST,
3 THE COMMISSION MAY MODIFY SPECIFIC PORTIONS OF THE PROPOSED PLAN
4 TO BRING THE PROPOSED PLAN INTO ALIGNMENT WITH THE PUBLIC
5 INTEREST.

6 (b) IN EVALUATING WHETHER A UTILITY'S ON-BILL PROGRAM IS IN
7 THE PUBLIC INTEREST, THE COMMISSION SHALL ENSURE THAT, IF A
8 PROGRAM PARTICIPANT'S UTILITY BILL PAYMENT IS INSUFFICIENT TO
9 COVER BOTH THE COSTS OF UTILITY SERVICE AND THEIR REPAYMENT
10 OBLIGATION ASSOCIATED WITH THE UTILITY'S ON-BILL PROGRAM, THE
11 UTILITY APPLIES THE CUSTOMER'S PAYMENT IN A MANNER THAT
12 PRIORITIZES COVERAGE OF THE COSTS OF UTILITY SERVICE BEFORE
13 APPLYING ANY OF THE PAYMENT TOWARD THEIR REPAYMENT OBLIGATION
14 ASSOCIATED WITH THE UTILITY'S ON-BILL PROGRAM, UNLESS THE
15 COMMISSION FINDS THAT AN ALTERNATIVE PAYMENT APPLICATION
16 STRUCTURE:

17 (I) DOES NOT HARM NONPARTICIPATING CUSTOMERS;
18 (II) DOES NOT HARM THE UTILITY'S FINANCIAL HEALTH; OR
19 (III) ALLOWS FOR ACCESS TO LOWER-COST CAPITAL TO FUND THE
20 ON-BILL PROGRAM.

21 (c) IF THE COMMISSION, PURSUANT TO THIS SECTION OR THROUGH
22 A COMMISSION DECISION, APPROVES PARTICIPATION IN A UTILITY ON-BILL
23 PROGRAM FOR NONPROFIT ORGANIZATIONS OR NONRESIDENTIAL
24 CUSTOMERS, THE REQUIREMENTS OF SECTIONS 40-3.2-105.5 AND
25 40-3.2-105.6 APPLY TO ANY WORK UNDERTAKEN AS PART OF THE ON-BILL
26 PROGRAM.

27 **SECTION 3.** In Colorado Revised Statutes, 38-13-801, **amend**

1 (1)(b); and add (2)(e) and (3.3) as follows:

2 **38-13-801. Unclaimed property trust fund - creation -**
3 **payments - interest - appropriations - records - rules - reports -**
4 **legislative declaration.** (1) (b) Except as provided in subsections (2),
5 (3), **(3.3)**, and (3.5) of this section, the principal of the trust fund shall not
6 be expended except to pay claims made pursuant to this article 13. Money
7 constituting the principal of the trust fund is not fiscal year spending of
8 the state for purposes of section 20 of article X of the state constitution
9 and is not subject to appropriation by the general assembly.

10 (2) (e) If CLAIMS MADE PURSUANT TO THIS ARTICLE 13 EXCEED
11 THE BALANCE IN THE UNCLAIMED PROPERTY TRUST FUND, THE STATE
12 TREASURER SHALL TRANSFER FROM THE GENERAL FUND TO THE
13 UNCLAIMED PROPERTY TRUST FUND AN AMOUNT NEEDED TO PAY THE
14 CLAIMS AND SHALL NOTIFY THE JOINT BUDGET COMMITTEE OF THE
15 GENERAL ASSEMBLY OF THE TRANSFER AND THE AMOUNT OF THE
16 TRANSFER FROM THE GENERAL FUND.

17 (3.3) (a) ON JULY 1, 2025, THE STATE TREASURER SHALL MAKE AN
18 INTEREST-FREE LOAN IN THE AMOUNT OF FIVE MILLION DOLLARS FROM THE
19 UNCLAIMED PROPERTY TRUST FUND TO THE ON-BILL CASH FUND CREATED
20 IN SECTION 24-38.5-607; EXCEPT THAT, IF THE CONDITION DESCRIBED IN
21 SECTION 24-36-125 (2)(b) OCCURS, THE STATE TREASURER SHALL NOT
22 MAKE THE LOAN DESCRIBED IN THIS SUBSECTION (3.3)(a). IF THE
23 CONDITION DESCRIBED IN SECTION 24-36-125 (2)(b) OCCURS, THE STATE
24 TREASURER SHALL TRANSFER TWENTY-FIVE MILLION DOLLARS FROM THE
25 ON-BILL FINANCING FUND CREATED IN SECTION 24-36-125 (7) TO THE
26 ON-BILL CASH FUND CREATED IN SECTION 24-38.5-607 ONCE THE MONEY
27 IN THE ON-BILL FINANCING FUND REACHES TWENTY-FIVE MILLION

1 DOLLARS. THE COLORADO ENERGY OFFICE SHALL:

2 (I) USE THE LOAN TO SUPPORT UTILITY ON-BILL PROGRAMS, AS
3 DESCRIBED IN SECTION 24-38.5-603;

4 (II) ENTER INTO CONTRACTS THAT AUTHORIZE PARTICIPATING
5 UTILITIES AND UTILITY-DESIGNATED ADMINISTRATORS, AS THOSE TERMS
6 ARE DEFINED IN SECTION 24-38.5-602, TO REMIT ANY INTEREST DIRECTLY
7 TO THE UNCLAIMED PROPERTY TRUST FUND; AND

8 (III) PAY THE LOAN BACK TO THE UNCLAIMED PROPERTY TRUST
9 FUND BY JANUARY 1, 2046. THE LOAN REPAYMENT IS SUBJECT TO FUTURE
10 APPROPRIATION BY THE GENERAL ASSEMBLY AND SHALL NOT BE DEEMED
11 OR CONSTRUED AS CREATING INDEBTEDNESS OF THE STATE WITHIN THE
12 MEANING OF THE STATE CONSTITUTION OR THE LAWS OF THE STATE
13 CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS BY THE STATE.

14 (b) IF THE LOAN DESCRIBED IN SUBSECTION (3.3)(a) OF THIS
15 SECTION IS MADE ON JULY 1, 2025, THEN, ON MARCH 1, 2026, THE STATE
16 TREASURER SHALL MAKE AN ADDITIONAL INTEREST-FREE LOAN IN THE
17 AMOUNT OF TWENTY MILLION DOLLARS FROM THE UNCLAIMED PROPERTY
18 TRUST FUND TO THE ON-BILL CASH FUND CREATED IN SECTION
19 24-38.5-607. THE COLORADO ENERGY OFFICE SHALL:

20 (I) USE THE LOAN TO SUPPORT UTILITY ON-BILL PROGRAMS, AS
21 DESCRIBED IN SECTION 24-38.5-603; AND

22 (II) PAY THE LOAN BACK TO THE UNCLAIMED PROPERTY TRUST
23 FUND BY JANUARY 1, 2046. THE LOAN REPAYMENT IS SUBJECT TO FUTURE
24 APPROPRIATION BY THE GENERAL ASSEMBLY AND SHALL NOT BE DEEMED
25 OR CONSTRUED AS CREATING INDEBTEDNESS OF THE STATE WITHIN THE
26 MEANING OF THE STATE CONSTITUTION OR THE LAW OF THE STATE
27 CONCERNING LIMITING THE CREATION OF INDEBTEDNESS BY THE STATE.

1 (c) ON JULY 1, 2026, THE STATE TREASURER SHALL MAKE AN
2 INTEREST-FREE LOAN IN THE AMOUNT OF TWENTY-FIVE MILLION DOLLARS
3 FROM THE UNCLAIMED PROPERTY TRUST FUND TO THE ON-BILL CASH FUND
4 CREATED IN SECTION 24-38.5-607; EXCEPT THAT, IF THE CONDITION
5 DESCRIBED IN SECTION 24-36-125 (2)(c) OCCURS, THE STATE TREASURER
6 SHALL NOT MAKE THE LOAN DESCRIBED IN THIS SUBSECTION (3.3)(c). IF
7 THE CONDITION DESCRIBED IN SECTION 24-36-125 (2)(c) OCCURS, THE
8 STATE TREASURER SHALL TRANSFER TWENTY-FIVE MILLION DOLLARS
9 FROM THE ON-BILL FINANCING FUND CREATED IN SECTION 24-36-125 (7)
10 TO THE ON-BILL CASH FUND CREATED IN SECTION 24-38.5-607 ONCE THE
11 MONEY IN THE ON-BILL FINANCING FUND REACHES TWENTY-FIVE MILLION
12 DOLLARS. THE COLORADO ENERGY OFFICE SHALL:

13 (I) USE THE LOAN TO SUPPORT UTILITY ON-BILL PROGRAMS, AS
14 DESCRIBED IN SECTION 24-38.5-603; AND

15 (II) PAY THE LOAN BACK TO THE UNCLAIMED PROPERTY TRUST
16 FUND BY JANUARY 1, 2046. THE LOAN REPAYMENT IS SUBJECT TO FUTURE
17 APPROPRIATION BY THE GENERAL ASSEMBLY AND SHALL NOT BE DEEMED
18 OR CONSTRUED AS CREATING INDEBTEDNESS OF THE STATE WITHIN THE
19 MEANING OF THE STATE CONSTITUTION OR THE LAW OF THE STATE
20 CONCERNING LIMITING THE CREATION OF INDEBTEDNESS BY THE STATE.

21 (d) ON OR BEFORE DECEMBER 31, 2025, AND ON OR BEFORE
22 DECEMBER 31 OF EACH YEAR THEREAFTER, THE COLORADO ENERGY
23 OFFICE SHALL SUBMIT A REPORT TO THE STATE TREASURER AND THE STATE
24 CONTROLLER SUMMARIZING THE STATUS OF LOANS MADE TO
25 PARTICIPATING UTILITIES, UTILITY-DESIGNATED ADMINISTRATORS, OR THE
26 PROGRAM ADMINISTRATOR FROM THE MONEY LOANED FROM THE
27 UNCLAIMED PROPERTY TRUST FUND TO THE ON-BILL CASH FUND CREATED

1 IN SECTION 24-38.5-607. THE ANNUAL REPORT MUST INCLUDE
2 INFORMATION REGARDING THE NUMBER OF LOANS MADE TO
3 PARTICIPATING UTILITIES OR UTILITY-DESIGNATED ADMINISTRATORS TO
4 DATE AND THE AMOUNTS LOANED TO EACH UTILITY OR
5 UTILITY-DESIGNATED ADMINISTRATOR TO DATE.

6 **SECTION 4.** In Colorado Revised Statutes, add 24-38.5-123 as
7 follows:

8 **24-38.5-123. Building decarbonization enterprise - creation -**
9 **membership - powers and duties - building decarbonization**
10 **enterprise cash fund - on-bill program administration cash fund -**
11 **legislative declaration - definitions - rules - report - repeal.**

12 **(1) Legislative declaration.** (a) THE GENERAL ASSEMBLY FINDS THAT:

13 **(I) REDUCING GREENHOUSE GAS EMISSIONS FROM COMBUSTION**
14 **DEVICES IN RESIDENTIAL AND COMMERCIAL BUILDINGS:**

15 **(A) IS NECESSARY TO HELP THE STATE ACHIEVE ITS STATEWIDE**
16 **GREENHOUSE GAS EMISSION REDUCTION GOALS SET FORTH IN SECTION**
17 **25-7-102 (2)(g), INCLUDING THE GOAL TO REACH NET-ZERO GREENHOUSE**
18 **GAS EMISSIONS BY 2050; AND**

19 **(B) PRESENTS SIGNIFICANT OPPORTUNITIES TO LOWER AND**
20 **STABILIZE ENERGY BILLS, PROVIDE FOR MORE COMFORTABLE LIVING AND**
21 **WORKING SPACES, AND REDUCE LOCAL AIR POLLUTION THAT CONTRIBUTES**
22 **TO GROUND-LEVEL OZONE;**

23 **(II) COVERED BUILDING OWNERS ARE REQUIRED TO COMPLY WITH**
24 **BENCHMARKING REQUIREMENTS AND PERFORMANCE STANDARD**
25 **REQUIREMENTS AND WOULD BENEFIT FROM ADDITIONAL FINANCIAL AND**
26 **TECHNICAL ASSISTANCE TO MEET OR EXCEED THOSE REQUIREMENTS;**

27 **(III) WITH ADDITIONAL FINANCIAL AND TECHNICAL ASSISTANCE,**

1 COVERED BUILDING OWNERS MAY MORE EFFECTIVELY AND EFFICIENTLY
2 IMPLEMENT BUILDING DECARBONIZATION MEASURES, INCLUDING, BUT NOT
3 LIMITED TO, PROGRAMS THAT PROVIDE ASSISTANCE FOR CONDUCTING
4 BUILDING ENERGY AUDITS, DEVELOPING ANALYSES TO HELP BUILDING
5 OWNERS EVALUATE THE BEST STRATEGIES FOR ACHIEVING FUTURE
6 PERFORMANCE STANDARD TARGETS, EMPLOYING OR CONSULTING WITH
7 BUILDING ENGINEERS, PURCHASING ENERGY USE TRACKING SOFTWARE FOR
8 COVERED BUILDING OWNERS TO MORE EFFECTIVELY TRACK ENERGY USE,
9 AND PROVIDING TRAINING ON SUCH SOFTWARE;

10 (IV) UTILITY CUSTOMERS WOULD BENEFIT FROM HAVING ACCESS
11 TO SIGNIFICANT AMOUNTS OF PUBLIC AND PRIVATE CAPITAL FOR
12 LOW-COST FINANCING SOLUTIONS FOR ENERGY-RELATED IMPROVEMENTS,
13 INCLUDING END-OF-LIFE EQUIPMENT REPLACEMENT; AND

14 (V) UTILITIES SERVING COLORADANS HAVE VARYING LEVELS OF
15 EXPERIENCE, AVAILABLE CAPITAL, AND AVAILABLE STAFF TO SUPPORT THE
16 ESTABLISHMENT AND ADMINISTRATION OF ON-BILL PROGRAMS.

17 (b) NOW, THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

18 (I) IT IS IN THE BEST INTEREST OF COVERED BUILDING OWNERS AND
19 PARTICIPATING UTILITIES TO CREATE AN ENTERPRISE WITHIN THE OFFICE
20 THAT IS COMMITTED TO FINANCING AND PROVIDING TECHNICAL AND
21 OTHER SUPPORT FOR THE IMPLEMENTATION OF BUILDING
22 DECARBONIZATION MEASURES AND FOR THE ESTABLISHMENT OF UTILITY
23 ON-BILL PROGRAMS;

24 (II) THE ACTIVITIES OF THE ENTERPRISE SHALL BE FUNDED BY
25 REVENUE GENERATED FROM A BUILDING DECARBONIZATION FEE PAID BY
26 COVERED BUILDING OWNERS AND ANY GIFTS, GRANTS, AND DONATIONS
27 RECEIVED;

1 (III) IT IS APPROPRIATE THAT COVERED BUILDING OWNERS SHOULD
2 PAY A BUILDING DECARBONIZATION FEE, AS COVERED BUILDING OWNERS
3 ARE THE DIRECT BENEFICIARIES OF SERVICES PROVIDED BY THE
4 ENTERPRISE, WHICH SERVICES INCLUDE THE FINANCING AND TECHNICAL
5 ASSISTANCE PROVIDED FOR THE BUILDING DECARBONIZATION MEASURES
6 DESCRIBED IN SUBSECTION (1)(a)(III) OF THIS SECTION;

7 (IV) COVERED BUILDING OWNERS BENEFIT FROM THE
8 IMPLEMENTATION OF BUILDING DECARBONIZATION MEASURES BECAUSE
9 SUCH MEASURES CAN REDUCE COVERED BUILDING OWNERS' LONG-TERM
10 COSTS RELATED TO ENERGY USE;

11 (V) IT IS IN THE BEST INTEREST OF COVERED BUILDING OWNERS TO
12 CREATE A BUILDING DECARBONIZATION ENTERPRISE CASH FUND WITHIN
13 THE BUILDING DECARBONIZATION ENTERPRISE, THE USE OF WHICH IS
14 DEDICATED TO FINANCING THE PROVISION OF TECHNICAL SUPPORT FOR
15 COVERED BUILDING OWNERS SEEKING TO IMPLEMENT ENERGY EFFICIENCY
16 MEASURES AND BUILDING DECARBONIZATION MEASURES;

17 (VI) THE ACTIVITIES OF THE ENTERPRISE ARE FUNDED BY REVENUE
18 GENERATED FROM AN ON-BILL PROGRAM ADMINISTRATION FEE PAID BY
19 PARTICIPATING UTILITIES AND ANY GIFTS, GRANTS, AND DONATIONS
20 RECEIVED;

21 (VII) IT IS APPROPRIATE THAT PARTICIPATING UTILITIES SHOULD
22 PAY AN ON-BILL PROGRAM ADMINISTRATION FEE BECAUSE PARTICIPATING
23 UTILITIES ARE THE DIRECT BENEFICIARIES OF SERVICES THAT THE
24 ENTERPRISE PROVIDES, WHICH SERVICES INCLUDE TECHNICAL ASSISTANCE
25 AND OTHER PROGRAMMATIC SUPPORT FOR ON-BILL PROGRAMS DESCRIBED
26 IN SUBSECTION (1)(a)(III) OF THIS SECTION;

27 (VIII) PARTICIPATING UTILITIES BENEFIT FROM THE

1 IMPLEMENTATION OF ON-BILL PROGRAMS BECAUSE:

2 (A) UTILITY ON-BILL PROGRAMS CAN REDUCE ENERGY
3 CONSUMPTION AND PEAK DEMAND;

4 (B) UTILITY CUSTOMERS BENEFIT FROM HAVING ACCESS TO
5 SIGNIFICANT AMOUNTS OF PUBLIC AND PRIVATE CAPITAL FOR LOW-COST
6 FINANCING SOLUTIONS FOR ENERGY-RELATED IMPROVEMENTS, INCLUDING
7 END-OF-LIFE EQUIPMENT REPLACEMENT; AND

8 (C) UTILITY ON-BILL PROGRAMS THAT ALLOW REPAYMENTS
9 THROUGH UTILITY BILL PAYMENTS COULD EXPAND THE OPPORTUNITIES
10 FOR ELIGIBLE RETAIL UTILITY CUSTOMERS TO PURSUE ENERGY EFFICIENCY
11 MEASURES AND ELECTRIFICATION MEASURES, ENABLING UTILITY
12 CUSTOMERS TO PAY BACK THE UP-FRONT COSTS OF THE UPGRADES AND
13 MEASURES OVER TIME THROUGH THEIR UTILITY BILL PAYMENTS AT OR
14 BELOW INTEREST RATES THAT MAY BE AVAILABLE FROM OTHER SOURCES;

15 (IX) IT IS IN THE BEST INTEREST OF PARTICIPATING UTILITIES TO
16 CREATE AN ON-BILL CASH FUND WITHIN THE BUILDING DECARBONIZATION
17 ENTERPRISE, THE USE OF WHICH IS DEDICATED TO TECHNICAL ASSISTANCE
18 AND OTHER PROGRAMMATIC SUPPORT FOR ON-BILL PROGRAMS FOR
19 PARTICIPATING UTILITIES;

20 (X) CONSISTENT WITH THE DETERMINATION OF THE COLORADO
21 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896
22 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS
23 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE
24 X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY CONCLUDES
25 THAT THE BUILDING DECARBONIZATION FEE AND THE ON-BILL PROGRAM
26 ADMINISTRATION FEE ARE BOTH FEES, NOT TAXES, AND THE ENTERPRISE
27 OPERATES AS A BUSINESS BECAUSE THE BUILDING DECARBONIZATION FEE

1 AND ON-BILL PROGRAM ADMINISTRATION FEE ARE:

2 (A) IN THE CASE OF THE BUILDING DECARBONIZATION FEE,
3 IMPOSED FOR THE SPECIFIC BUSINESS PURPOSES OF PROVIDING FINANCING
4 AND TECHNICAL ASSISTANCE TO COVERED BUILDING OWNERS TO MORE
5 EFFECTIVELY AND EFFICIENTLY IMPLEMENT BUILDING DECARBONIZATION
6 MEASURES, INCLUDING FEASIBILITY ANALYSES AND IMPROVEMENTS THAT
7 WILL REDUCE ENERGY USE AND EMISSIONS, AND COLLECTED AT A RATE
8 THAT IS REASONABLY RELATED TO THE OVERALL COST OF THE BUSINESS
9 SERVICES BEING PROVIDED; AND

10 (B) IN THE CASE OF THE ON-BILL PROGRAM ADMINISTRATION FEE,
11 IMPOSED FOR THE SPECIFIC PURPOSE OF PROVIDING TECHNICAL
12 ASSISTANCE TO A UTILITY, AS NECESSARY, THAT INTENDS TO ESTABLISH
13 OR EXPAND ON-BILL PROGRAMS FOR ITS ELIGIBLE RETAIL CUSTOMERS AND
14 COLLECTED AT A RATE THAT IS REASONABLY RELATED TO THE OVERALL
15 COST OF THE BUSINESS SERVICES BEING PROVIDED; AND

16 (XI) SO LONG AS THE ENTERPRISE QUALIFIES AS AN ENTERPRISE
17 FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION,
18 THE REVENUE FROM THE BUILDING DECARBONIZATION FEE AND THE
19 ON-BILL PROGRAM ADMINISTRATION FEE IMPOSED, COLLECTED, AND
20 ADMINISTERED BY THE ENTERPRISE IS NOT STATE FISCAL YEAR SPENDING,
21 AS DEFINED IN SECTION 24-77-102 (17), OR STATE REVENUES, AS DEFINED
22 IN SECTION 24-77-103.6 (6)(c), AND DOES NOT COUNT AGAINST EITHER
23 THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED BY SECTION 20 OF
24 ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES
25 CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(G).

26 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
27 OTHERWISE REQUIRES:

1 (a) "BENCHMARKING REQUIREMENTS" MEANS THE ENERGY
2 BENCHMARKING REQUIREMENTS SET FORTH IN SECTION 25-7-142 (3) WITH
3 WHICH AN OWNER OR OPERATOR OF A COVERED BUILDING IS REQUIRED TO
4 COMPLY.

5 (b) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE ENTERPRISE
6 APPOINTED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION.

7 (c) "BUILDING DECARBONIZATION ENTERPRISE CASH FUND" OR
8 "BUILDING DECARBONIZATION FUND" MEANS THE BUILDING
9 DECARBONIZATION ENTERPRISE CASH FUND CREATED IN SUBSECTION
10 (6)(a) OF THIS SECTION.

11 (d) "BUILDING DECARBONIZATION FEE" MEANS THE FEE PAID BY
12 THE OWNER OF A COVERED BUILDING PURSUANT TO SUBSECTION (5)(b) OF
13 THIS SECTION.

14 (e) "COVERED BUILDING" HAS THE MEANING SET FORTH IN SECTION
15 25-7-142 (2)(j).

16 (f) "COVERED BUILDING OWNER" MEANS AN "OWNER", AS DEFINED
17 IN SECTION 25-7-142 (2)(r), OF A COVERED BUILDING.

18 (g) "ELECTRIFICATION" HAS THE MEANING SET FORTH IN SECTION
19 24-38.5-602 (3).

20 (h) "ENERGY EFFICIENCY MEASURE" HAS THE MEANING SET FORTH
21 IN SECTION 24-38.5-602 (4).

22 (i) "ENERGY UPGRADE" HAS THE MEANING SET FORTH IN SECTION
23 24-38.5-602 (5).

24 (j) "ENTERPRISE" MEANS THE BUILDING DECARBONIZATION
25 ENTERPRISE CREATED IN SUBSECTION (3) OF THIS SECTION.

26 (k) "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE
27 IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR

1 STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
2 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID FOR BY URBAN
3 CONSUMERS.

4 (l) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
5 SECTION 24-38.5-101.

6 (m) "ON-BILL CASH FUND" HAS THE MEANING SET FORTH IN
7 SECTION 24-38.5-602 (7).

8 (n) "ON-BILL PROGRAM" MEANS A UTILITY'S ON-BILL PROGRAM
9 THROUGH WHICH ENERGY EFFICIENCY MEASURES, ELECTRIFICATION
10 MEASURES, AND ENERGY UPGRADES ARE INSTALLED AT A PARTICIPATING
11 CUSTOMER'S PREMISES, THE FINANCING OF WHICH IS REPAID THROUGH
12 MONTHLY UTILITY BILL PAYMENTS.

13 (o) "ON-BILL PROGRAM ADMINISTRATION CASH FUND" OR
14 "ADMINISTRATION FUND" MEANS THE ON-BILL PROGRAM ADMINISTRATION
15 CASH FUND CREATED IN SUBSECTION (8) OF THIS SECTION.

16 (p) "ON-BILL PROGRAM ADMINISTRATION FEE" OR
17 "ADMINISTRATION FEE" MEANS THE FEE PAID BY A UTILITY OR ITS
18 UTILITY-DESIGNATED ADMINISTRATOR SEEKING TO ESTABLISH OR EXPAND
19 ITS ON-BILL PROGRAM PURSUANT TO SECTION 24-38.5-606.

20 (q) "PARTICIPATING UTILITY" HAS THE MEANING SET FORTH IN
21 SECTION 24-38.5-602 (9).

22 (r) "PERFORMANCE STANDARDS" HAS THE MEANING SET FORTH IN
23 SECTION 25-7-142 (2)(s).

24 (s) "UTILITY" HAS THE MEANING SET FORTH IN SECTION
25 24-38.5-602 (13).

26 (3) **Enterprise created - loan from the office - repayment.**

27 (a) THE BUILDING DECARBONIZATION ENTERPRISE IS CREATED IN THE

1 OFFICE AND EXERCISES ITS POWERS AND PERFORMS ITS DUTIES AND
2 FUNCTIONS AS A GOVERNMENT-OWNED BUSINESS IN THE OFFICE TO
3 EXECUTE ITS BUSINESS PURPOSES SET FORTH IN THIS SUBSECTION (3). THE
4 ENTERPRISE IS CREATED FOR THE PURPOSES OF:

5 (I) IMPOSING AND ASSESSING A BUILDING DECARBONIZATION FEE
6 ON OWNERS OF COVERED BUILDINGS;

7 (II) PROVIDING TECHNICAL ASSISTANCE, FINANCING, AND OTHER
8 PROGRAMMATIC SUPPORT FOR COVERED BUILDING OWNERS' BUILDING
9 DECARBONIZATION MEASURES, INCLUDING, BUT NOT LIMITED TO,
10 CONDUCTING BUILDING ENERGY AUDITS, DEVELOPING ANALYSES TO HELP
11 BUILDING OWNERS EVALUATE THE BEST STRATEGIES FOR ACHIEVING
12 FUTURE PERFORMANCE STANDARD TARGETS, CONSULTING BUILDING
13 ENGINEERS, PURCHASING ENERGY USE TRACKING SOFTWARE, AND
14 PROVIDING TRAINING ON SUCH SOFTWARE;

15 (III) HAVING AND EXERCISING ALL RIGHTS AND POWERS
16 NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS
17 AND DUTIES GRANTED UNDER THIS SECTION;

18 (IV) ENSURING THAT THE BUILDING DECARBONIZATION FEE PAID
19 BY COVERED BUILDING OWNERS IS USED SOLELY TO SUPPORT PROGRAMS,
20 TECHNICAL ASSISTANCE, AND FINANCIAL ASSISTANCE FOR THE COVERED
21 BUILDING OWNERS THAT PAY THE BUILDING DECARBONIZATION FEE;

22 (V) IMPOSING AND ASSESSING AN ON-BILL PROGRAM
23 ADMINISTRATION FEE ON UTILITIES OR UTILITY-DESIGNATED
24 ADMINISTRATORS THAT SEEK FINANCING FROM THE ON-BILL CASH FUND
25 TO DEVELOP OR EXPAND THEIR ON-BILL PROGRAMS;

26 (VI) PROVIDING TECHNICAL ASSISTANCE AND OTHER
27 PROGRAMMATIC SUPPORT, AS NECESSARY, TO PARTICIPATING UTILITIES

1 SEEKING TO ESTABLISH OR EXPAND AN ON-BILL PROGRAM. THE AMOUNT
2 OF TECHNICAL ASSISTANCE AND OTHER PROGRAMMATIC SUPPORT
3 PROVIDED IS COMMENSURATE WITH THE AMOUNT OF FINANCIAL SUPPORT
4 LOANED TO A PARTICIPATING UTILITY OR ITS UTILITY-DESIGNATED
5 ADMINISTRATOR FROM THE ON-BILL CASH FUND AND INCLUDES:

6 (A) DEVELOPING A FULL SET OF ON-BILL PROGRAM MODELS,
7 INCLUDING MODELS THAT ARE RUN BY THIRD-PARTY OPT-IN PROGRAMS
8 THAT PARTICIPATING UTILITIES ADOPT;

9 (B) ASSISTING UTILITIES IN MEETING REPORTING OBLIGATIONS;

10 (C) PROVIDING TECHNICAL ASSISTANCE FOR THE IMPLEMENTATION
11 AND ADMINISTRATION OF ON-BILL PROGRAMS; AND

12 (D) PROVIDING CONSUMER EDUCATION AND MARKETING SUPPORT
13 TO INCREASE CUSTOMER PARTICIPATION IN THE PARTICIPATING UTILITIES'
14 ON-BILL PROGRAMS; AND

15 (VII) ENSURING THAT THE ON-BILL PROGRAM ADMINISTRATION
16 FEE THAT A UTILITY OR ITS UTILITY-DESIGNATED ADMINISTRATOR PAYS IS
17 USED SOLELY TO SUPPORT ON-BILL PROGRAM DESIGNS AND TECHNICAL
18 ASSISTANCE FOR THE PARTICIPATING UTILITIES THAT PAY THE
19 ADMINISTRATION FEE.

20 (b) THE BOARD, IN CONSULTATION WITH THE OFFICE, SHALL
21 ADMINISTER THE ENTERPRISE IN ACCORDANCE WITH THIS SECTION.

22 (c) (I) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR
23 PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO
24 LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND
25 RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS, AS
26 DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND
27 LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN

1 ENTERPRISE, THE ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE
2 X OF THE STATE CONSTITUTION.

3 (II) THE ENTERPRISE IS AUTHORIZED TO ISSUE REVENUE BONDS FOR
4 THE EXPENSES OF THE ENTERPRISE, SECURED BY REVENUE OF THE
5 ENTERPRISE.

6 (d) (I) THE OFFICE MAY TRANSFER MONEY FROM ANY LEGALLY
7 AVAILABLE SOURCE TO THE ENTERPRISE FOR THE PURPOSE OF DEFRAYING
8 EXPENSES INCURRED BY THE ENTERPRISE BEFORE IT RECEIVES FEE
9 REVENUE. THE ENTERPRISE MAY ACCEPT AND EXPEND ANY MONEY SO
10 TRANSFERRED, AND, NOTWITHSTANDING ANY STATE FISCAL RULE OR
11 GENERALLY ACCEPTED ACCOUNTING PRINCIPLE THAT COULD OTHERWISE
12 BE INTERPRETED TO REQUIRE A CONTRARY CONCLUSION, SUCH A
13 TRANSFER IS A LOAN FROM THE OFFICE TO THE ENTERPRISE THAT IS
14 REQUIRED TO BE REPAID AND IS NOT A GRANT FOR PURPOSES OF SECTION
15 20 (2)(d) OF ARTICLE X OF THE STATE CONSTITUTION OR AS DEFINED IN
16 SECTION 24-77-102 (7).

17 (II) AS THE ENTERPRISE RECEIVES SUFFICIENT REVENUE IN EXCESS
18 OF ITS EXPENSES, THE ENTERPRISE SHALL REIMBURSE THE OFFICE FOR THE
19 PRINCIPAL AMOUNT OF ANY LOAN MADE BY THE OFFICE, PLUS INTEREST AT
20 A RATE AGREED UPON BY THE OFFICE AND THE ENTERPRISE, BUT NOT TO
21 EXCEED A RATE BASED ON FAIR MARKET VALUE.

22 (4) **Enterprise board of directors created - membership -**
23 **duties - repeal.** (a) THE ENTERPRISE BOARD OF DIRECTORS IS CREATED TO
24 ADMINISTER THE ENTERPRISE. THE BOARD CONSISTS OF THE FOLLOWING
25 SEVEN MEMBERS:

26 (I) THE FOLLOWING FOUR MEMBERS APPOINTED BY THE GOVERNOR
27 AND CONFIRMED BY THE SENATE:

1 (A) A REPRESENTATIVE OF COVERED BUILDING OWNERS;
2 (B) AN EXPERT IN BUILDING ENERGY EFFICIENCY AND
3 DECARBONIZATION;
4 (C) A LOCAL GOVERNMENT REPRESENTATIVE WITH EXPERTISE IN
5 PLANNING OR ENERGY CODES; AND
6 (D) A UTILITY REPRESENTATIVE;
7 (II) THE DIRECTOR OF THE OFFICE OR THE DIRECTOR'S DESIGNEE;
8 (III) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC
9 HEALTH AND ENVIRONMENT OR THE EXECUTIVE DIRECTOR'S DESIGNEE;
10 AND
11 (IV) THE DIRECTOR OF THE PUBLIC UTILITIES COMMISSION OR THE
12 DIRECTOR'S DESIGNEE.
13 (b) (I) THE GOVERNOR SHALL APPOINT INITIAL MEMBERS TO THE
14 BOARD PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION ON OR
15 BEFORE SEPTEMBER 1, 2025.
16 (II) THIS SUBSECTION (4)(b) IS REPEALED, EFFECTIVE JULY 1, 2026.
17 (c) (I) BOARD MEMBERS APPOINTED PURSUANT TO SUBSECTION
18 (4)(a)(I) OF THIS SECTION SERVE THREE-YEAR TERMS. A BOARD MEMBER
19 MAY SERVE AN UNLIMITED NUMBER OF TERMS.
20 (II) NOTWITHSTANDING SUBSECTION (4)(c)(I) OF THIS SECTION,
21 THE GOVERNOR SHALL MAKE THE INITIAL TERMS OF TWO OF THE BOARD
22 MEMBERS WHO ARE APPOINTED PURSUANT TO SUBSECTION (4)(a)(I) OF
23 THIS SECTION TWO YEARS.
24 (d) BOARD MEMBERS SERVING PURSUANT TO SUBSECTION (4)(a)(I)
25 OF THIS SECTION MAY RECEIVE COMPENSATION FROM THE ENTERPRISE ON
26 A PER DIEM BASIS FOR REASONABLE EXPENSES ACTUALLY INCURRED IN
27 THE PERFORMANCE OF THEIR DUTIES.

1 (e) (I) THE CHAIR AND VICE-CHAIR OF THE BOARD ARE SELECTED
2 BY THE MEMBERS OF THE BOARD IN ACCORDANCE WITH THE BOARD'S
3 BYLAWS.

4 (II) (A) THE DIRECTOR OF THE OFFICE OR THE DIRECTOR'S
5 DESIGNEE SHALL CALL THE FIRST MEETING OF THE BOARD, AND THE BOARD
6 SHALL SELECT THE CHAIR AND VICE-CHAIR AT THAT MEETING IN
7 ACCORDANCE WITH SUBSECTION (4)(e)(I) OF THIS SECTION.

8 (B) THIS SUBSECTION (4)(e)(II) IS REPEALED, EFFECTIVE JULY 1,
9 2026.

10 (5) **Powers and duties of board - building decarbonization fee**
11 **- on-bill program administration fee - rules.** (a) IN ADDITION TO ANY
12 OTHER POWERS AND DUTIES SPECIFIED IN THIS SECTION, THE BOARD HAS
13 THE FOLLOWING POWERS AND DUTIES ON BEHALF OF THE ENTERPRISE:

14 (I) TO ADOPT PROCEDURES FOR CONDUCTING THE BOARD'S
15 AFFAIRS;

16 (II) TO ENGAGE THE SERVICES OF CONTRACTORS, CONSULTANTS,
17 THE DIVISION OF ADMINISTRATION DESCRIBED IN SECTION 25-1-102 (2)(a),
18 AND THE STAFF OF THE OFFICE FOR PROFESSIONAL AND TECHNICAL
19 ASSISTANCE AND ADVICE AND TO SUPPLY OTHER SERVICES RELATED TO
20 THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE WITHOUT REGARD TO
21 THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24. THE
22 ENTERPRISE SHALL ENGAGE THE ATTORNEY GENERAL'S OFFICE FOR LEGAL
23 SERVICES. THE ENTERPRISE MAY CONTRACT WITH THE OFFICE FOR THE
24 PROVISION OF OFFICE SPACE AND ADMINISTRATIVE STAFF TO THE
25 ENTERPRISE AT A FAIR MARKET RATE.

26 (III) TO ESTABLISH AND ADMINISTER A PROGRAM THROUGH WHICH
27 OWNERS OF COVERED BUILDINGS MAY APPLY FOR, AND THE BOARD MAY

1 REVIEW AND APPROVE APPLICATIONS FOR, FINANCING OR TECHNICAL
2 ASSISTANCE FOR BUILDING DECARBONIZATION MEASURES, INCLUDING, BUT
3 NOT LIMITED TO, PARTICIPATING IN PROGRAMS THAT HELP FINANCE
4 ENERGY EFFICIENCY MEASURES, ELECTRIFICATION MEASURES, AND OTHER
5 ENERGY UPGRADES; CONDUCTING BUILDING ENERGY AUDITS; EMPLOYING
6 OR CONSULTING WITH BUILDING ENGINEERS; AND PURCHASING ENERGY
7 USE TRACKING SOFTWARE AND PROVIDING TRAINING ON SUCH SOFTWARE;

8 (IV) TO IMPOSE THE BUILDING DECARBONIZATION FEE DESCRIBED
9 IN SUBSECTION (5)(b) OF THIS SECTION;

10 (V) IN ACCORDANCE WITH SUBSECTION (5)(c) OF THIS SECTION, TO
11 IMPOSE THE ON-BILL PROGRAM ADMINISTRATION FEE ON PARTICIPATING
12 UTILITIES OR UTILITY-DESIGNATED ADMINISTRATORS THAT SEEK
13 FINANCING FROM THE ON-BILL CASH FUND TO DEVELOP OR EXPAND THEIR
14 ON-BILL PROGRAMS;

15 (VI) TO SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, AND
16 DONATIONS IN SUPPORT OF SERVICES THAT THE ENTERPRISE PROVIDES TO
17 COVERED BUILDING OWNERS FOR BUILDING DECARBONIZATION MEASURES
18 OR TO PARTICIPATING UTILITIES FOR ON-BILL PROGRAMS;

19 (VII) TO ESTABLISH AND ADMINISTER A PROGRAM THROUGH
20 WHICH PARTICIPATING UTILITIES MAY RECEIVE ASSISTANCE FOR
21 ESTABLISHING OR EXPANDING AN ON-BILL PROGRAM, WHICH PROGRAM
22 INCLUDES:

23 (A) DEVELOPING A FULL SET OF ON-BILL PROGRAM MODELS,
24 INCLUDING MODELS THAT ARE RUN BY THIRD-PARTY OPT-IN ON-BILL
25 PROGRAMS THAT PARTICIPATING UTILITIES ADOPT;

26 (B) ASSISTING UTILITIES IN MEETING REPORTING OBLIGATIONS SET
27 FORTH IN SECTION 24-38.5-603 (6)(a);

1 (C) PROVIDING TECHNICAL ASSISTANCE FOR THE IMPLEMENTATION
2 AND ADMINISTRATION OF ON-BILL PROGRAMS; AND

3 (D) PROVIDING CONSUMER EDUCATION AND MARKETING SUPPORT
4 TO INCREASE CUSTOMER PARTICIPATION IN THE PARTICIPATING UTILITIES'
5 ON-BILL PROGRAMS; AND

6 (VIII) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS
7 NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS
8 AND DUTIES GRANTED BY THIS SECTION.

9 (b) (I) BEGINNING IN STATE FISCAL YEAR 2026-27 AND IN
10 FURTHERANCE OF THE ENTERPRISE'S BUSINESS PURPOSES, THE BOARD
11 SHALL ADOPT RULES FOR THE PURPOSE OF SETTING THE AMOUNT OF THE
12 BUILDING DECARBONIZATION FEE AT THE MAXIMUM AMOUNT AUTHORIZED
13 IN THIS SUBSECTION (5) TO BE IMPOSED UPON ALL COVERED BUILDING
14 OWNERS; EXCEPT THAT THE FEE SHALL NOT BE IMPOSED ON THE OWNER OF
15 A PUBLIC BUILDING, AS DEFINED IN SECTION 25-7-142 (2)(t). THE BOARD
16 SHALL ONLY ADOPT RULES PURSUANT TO THIS SUBSECTION (5)(b)(I) AND
17 SUBSECTION (5)(c)(I) OF THIS SECTION.

18 (II) ON OR BEFORE NOVEMBER 1, 2025, AND ON OR BEFORE
19 NOVEMBER 1 OF EACH YEAR THEREAFTER, AND EXCEPT AS PROVIDED IN
20 SUBSECTION (5)(b)(III) OF THIS SECTION, EACH OWNER OF A COVERED
21 BUILDING SHALL PAY A BUILDING DECARBONIZATION FEE IN AN AMOUNT
22 OF FOUR HUNDRED DOLLARS, WHICH IS REASONABLY RELATED TO THE
23 OVERALL COST OF THE PROVIDED SERVICES FUNDED BY THE BUILDING
24 DECARBONIZATION FEE. THE FEE SHALL BE PAID TO THE OFFICE, WHICH
25 SHALL COLLECT THE BUILDING DECARBONIZATION FEE ON BEHALF OF THE
26 ENTERPRISE.

27 (III) BEGINNING IN STATE FISCAL YEAR 2027-28, THE BOARD MAY

1 INCREASE THE BUILDING DECARBONIZATION FEE FROM THE PREVIOUS
2 YEAR'S BUILDING DECARBONIZATION FEE AMOUNT, AS ADJUSTED FOR
3 INFLATION AND, ON OR BEFORE MARCH 15 OF EACH OF THE STATE FISCAL
4 YEARS THEREAFTER, SHALL NOTIFY THE OFFICE OF THE ADJUSTED AMOUNT
5 OF THE BUILDING DECARBONIZATION FEE, IF THE BUILDING
6 DECARBONIZATION FEE HAS BEEN ADJUSTED. ON OR BEFORE APRIL 15 OF
7 EACH OF THE STATE FISCAL YEARS THEREAFTER, THE ENTERPRISE SHALL
8 PUBLISH THE UPDATED AMOUNT OF THE BUILDING DECARBONIZATION FEE
9 ON THE ENTERPRISE'S WEBSITE.

10 (IV) NOTWITHSTANDING SUBSECTION (5)(b)(I) OF THIS SECTION,
11 THE BOARD SHALL NOT SET THE BUILDING DECARBONIZATION FEE IN AN
12 AMOUNT HIGHER THAN THAT AUTHORIZED BY SUBSECTIONS (5)(b)(II) AND
13 (5)(b)(III) OF THIS SECTION.

14 (V) MONEY COLLECTED AS A BUILDING DECARBONIZATION FEE
15 SHALL BE CREDITED TO THE BUILDING DECARBONIZATION ENTERPRISE
16 CASH FUND.

17 (VI) MONEY COLLECTED BY THE OFFICE FOR TRANSFER TO THE
18 BUILDING DECARBONIZATION FUND PURSUANT TO SUBSECTION (5)(b)(V)
19 OF THIS SECTION:

20 (A) IS COLLECTED ON BEHALF OF THE ENTERPRISE;

21 (B) IS HELD TEMPORARILY BY THE OFFICE AND THE STATE
22 TREASURER SOLELY FOR THE PURPOSE OF TRANSFERRING THE MONEY TO
23 THE BUILDING DECARBONIZATION FUND FOR USE BY THE ENTERPRISE; AND

24 (D) BASED ON THE ENTERPRISE'S STATUS AS AN ENTERPRISE, IS
25 NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION
26 AT ANY TIME DURING THE MONEY'S COLLECTION, TRANSFER, AND USE.

27 (c) (I) BEGINNING IN STATE FISCAL YEAR 2025-26, AND IN

1 FURTHERANCE OF THE ENTERPRISE'S BUSINESS PURPOSES, THE BOARD
2 SHALL ADOPT RULES FOR THE PURPOSE OF SETTING THE AMOUNT OF THE
3 ON-BILL PROGRAM ADMINISTRATION FEE AT OR BELOW THE MAXIMUM
4 AMOUNT AUTHORIZED IN THIS SUBSECTION (5)(c) TO BE IMPOSED ON
5 PARTICIPATING UTILITIES. TO ENSURE THAT THE ON-BILL PROGRAM
6 ADMINISTRATION FEE FOR EACH PARTICIPATING UTILITY IS REASONABLY
7 RELATED TO THE SERVICES PROVIDED BY THE ENTERPRISE, THE BOARD
8 SHALL SET THE ADMINISTRATION FEE WITHIN THE RANGES SPECIFIED IN
9 SUBSECTION (5)(c)(II) OF THIS SECTION BASED ON CRITERIA INCLUDING:
10 (A) THE ANTICIPATED SIZE OF THE PROPOSED ON-BILL PROGRAM;
11 (B) THE NUMBER AND AMOUNT OF SERVICES THAT THE ENTERPRISE
12 INTENDS TO PROVIDE TO PARTICIPATING UTILITIES BASED ON THE SIZE OF
13 THE LOAN;
14 (C) WHETHER THE PARTICIPATING UTILITY IS SEEKING TO
15 ESTABLISH A NEW ON-BILL PROGRAM OR EXPAND AN EXISTING ON-BILL
16 PROGRAM; AND
17 (D) THE ESTIMATED NUMBER OF CUSTOMERS IN EACH RATE CLASS
18 FORECASTED TO PARTICIPATE IN THE ON-BILL PROGRAM.
19 (II) EXCEPT AS PROVIDED IN SUBSECTION (5)(c)(IV) OF THIS
20 SECTION, A PARTICIPATING UTILITY SHALL PAY THE ON-BILL PROGRAM
21 ADMINISTRATION FEE TO THE ENTERPRISE ON OR BEFORE NOVEMBER 1,
22 2025, AND ON OR BEFORE NOVEMBER 1 OF EACH YEAR THEREAFTER, SO
23 LONG AS THE PARTICIPATING UTILITY IS ESTABLISHING, MAINTAINING, OR
24 EXPANDING ITS ON-BILL PROGRAM. THE ON-BILL PROGRAM
25 ADMINISTRATION FEE MUST BE BASED ON THE AMOUNT OF THE MONEY
26 LOANED TO THE PARTICIPATING UTILITY OR A UTILITY-DESIGNATED
27 ADMINISTRATOR FROM THE ON-BILL CASH FUND AS FOLLOWS:

1 (A) IF THE PARTICIPATING UTILITY OR ITS UTILITY-DESIGNATED
2 ADMINISTRATOR BORROWS TEN MILLION DOLLARS OR LESS FROM THE
3 ON-BILL CASH FUND, THE ADMINISTRATION FEE SHALL BE IMPOSED IN AN
4 AMOUNT OF UP TO FIFTY THOUSAND DOLLARS;

5 (B) IF THE PARTICIPATING UTILITY OR ITS UTILITY-DESIGNATED
6 ADMINISTRATOR BORROWS MORE THAN TEN MILLION DOLLARS BUT
7 TWENTY MILLION DOLLARS OR LESS FROM THE ON-BILL CASH FUND, THE
8 ADMINISTRATION FEE SHALL BE IMPOSED IN AN AMOUNT BETWEEN FIFTY
9 THOUSAND DOLLARS AND SEVENTY-FIVE THOUSAND DOLLARS;

10 (C) IF THE PARTICIPATING UTILITY OR ITS UTILITY-DESIGNATED
11 ADMINISTRATOR BORROWS MORE THAN TWENTY MILLION DOLLARS BUT
12 FORTY MILLION DOLLARS OR LESS FROM THE ON-BILL CASH FUND, THE
13 ADMINISTRATION FEE SHALL BE IMPOSED IN AN AMOUNT BETWEEN
14 SEVENTY-FIVE THOUSAND DOLLARS AND ONE HUNDRED THOUSAND
15 DOLLARS;

16 (D) IF THE PARTICIPATING UTILITY OR ITS UTILITY-DESIGNATED
17 ADMINISTRATOR BORROWS MORE THAN FORTY MILLION DOLLARS BUT
18 SIXTY MILLION DOLLARS OR LESS FROM THE ON-BILL CASH FUND, THE
19 ADMINISTRATION FEE SHALL BE IMPOSED IN AN AMOUNT BETWEEN ONE
20 HUNDRED THOUSAND DOLLARS AND TWO HUNDRED THOUSAND DOLLARS;

21 (E) IF A PARTICIPATING UTILITY OR ITS UTILITY-DESIGNATED
22 ADMINISTRATOR BORROWS MORE THAN SIXTY MILLION DOLLARS BUT
23 EIGHTY MILLION DOLLARS OR LESS FROM THE ON-BILL CASH FUND, THE
24 ADMINISTRATION FEE SHALL BE IMPOSED IN AN AMOUNT BETWEEN TWO
25 HUNDRED THOUSAND DOLLARS AND THREE HUNDRED THOUSAND
26 DOLLARS; AND

27 (F) IF A PARTICIPATING UTILITY OR ITS UTILITY-DESIGNATED

1 ADMINISTRATOR BORROWS MORE THAN EIGHTY MILLION DOLLARS FROM
2 THE ON-BILL CASH FUND, THE ADMINISTRATION FEE SHALL BE IMPOSED IN
3 AN AMOUNT BETWEEN THREE HUNDRED THOUSAND DOLLARS AND FOUR
4 HUNDRED THOUSAND DOLLARS.

5 (III) THE FEE RANGES PRESCRIBED IN SUBSECTION (5)(c)(II) OF
6 THIS SECTION ARE REASONABLY RELATED TO THE OVERALL COST OF THE
7 SERVICES PROVIDED. THE COST OF SERVICES TO FEE PAYERS THAT RECEIVE
8 LARGER LOANS IS HIGHER BECAUSE PARTICIPATING UTILITIES THAT
9 RECEIVE LARGER LOANS WILL REQUIRE GREATER SERVICES FROM THE
10 ENTERPRISE, INCLUDING SERVICES FOR TECHNICAL SUPPORT, PROGRAM
11 DEVELOPMENT, AND RATE IMPACT MODELING FOR LARGER AND MORE
12 COMPLEX ON-BILL PROGRAMS.

13 (IV) A PARTICIPATING UTILITY OR ITS UTILITY-DESIGNATED
14 ADMINISTRATOR SHALL BEGIN PAYING THE APPLICABLE ADMINISTRATION
15 FEE TO THE ENTERPRISE ON OR BEFORE THE FIRST NOVEMBER 1 THAT
16 FOLLOWS THE UTILITY'S OR ITS UTILITY-DESIGNATED ADMINISTRATOR'S
17 EXECUTION OF A LOAN AGREEMENT WITH THE OFFICE.

18 (V) BEGINNING IN STATE FISCAL YEAR 2026-27, THE BOARD MAY
19 INCREASE THE ADMINISTRATION FEE FROM THE PREVIOUS YEAR'S
20 ADMINISTRATION FEE IN AN AMOUNT ADJUSTED FOR INFLATION. IN
21 EVALUATING THE FEE, THE BOARD MAY ALSO CONSIDER WHETHER THE
22 ADMINISTRATION FEE SHOULD BE BASED ON THE ORIGINAL LOAN AMOUNT
23 BORROWED OR ON THE PRINCIPAL HELD BY THE UTILITY OR ITS
24 UTILITY-DESIGNATED ADMINISTRATOR. IN MAKING THIS EVALUATION, THE
25 BOARD SHALL CONSIDER THE LEVEL OF FEE NEEDED TO ADMINISTER THE
26 ON-BILL PROGRAM. ON OR BEFORE MARCH 15, 2026, AND ON OR BEFORE
27 MARCH 15 OF EACH YEAR THEREAFTER, THE BOARD SHALL NOTIFY THE

1 OFFICE OF THE ADJUSTED AMOUNT OF THE ADMINISTRATION FEE IF THE
2 ADMINISTRATION FEE HAS BEEN ADJUSTED FOR INFLATION, AND, ON OR
3 BEFORE APRIL 15, 2026, AND ON OR BEFORE APRIL 15 OF EACH YEAR
4 THEREAFTER, THE BOARD SHALL PUBLISH THE UPDATED AMOUNT OF THE
5 ADMINISTRATION FEE ON THE ENTERPRISE'S WEBSITE.

6 (VI) MONEY COLLECTED AS AN ON-BILL PROGRAM
7 ADMINISTRATION FEE SHALL BE CREDITED TO THE ON-BILL PROGRAM
8 ADMINISTRATION CASH FUND.

9 (6) **Building decarbonization enterprise cash fund - creation**
10 **- gifts, grants, and donations - repeal.** (a) THE BUILDING
11 DECARBONIZATION ENTERPRISE CASH FUND IS CREATED IN THE STATE
12 TREASURY. THE BUILDING DECARBONIZATION FUND CONSISTS OF:

13 (I) MONEY RECEIVED FROM A BUILDING DECARBONIZATION FEE
14 IMPOSED PURSUANT TO SUBSECTION (5)(b) OF THIS SECTION;

15 (II) ANY MONEY THAT THE ENTERPRISE RECEIVES AS GIFTS,
16 GRANTS, AND DONATIONS IN SUPPORT OF SERVICES THAT THE ENTERPRISE
17 PROVIDES TO COVERED BUILDING OWNERS FOR BUILDING
18 DECARBONIZATION MEASURES;

19 (III) ANY MONEY RECEIVED FROM THE ISSUANCE OF REVENUE
20 BONDS, AS DESCRIBED IN SUBSECTION (3)(c)(II) OF THIS SECTION; AND

21 (IV) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
22 APPROPRIATE OR TRANSFER TO THE FUND.

23 (b) (I) SECTION 24-77-108 DOES NOT APPLY TO THE ENTERPRISE
24 BECAUSE THE TOTAL AMOUNT OF MONEY CREDITED OR APPROPRIATED TO
25 THE BUILDING DECARBONIZATION FUND AND THE ON-BILL PROGRAM
26 ADMINISTRATION CASH FUND AS A FEE SHALL NOT EXCEED ONE HUNDRED
27 MILLION DOLLARS IN THE FIRST FIVE FISCAL YEARS OF THE ENTERPRISE'S

1 EXISTENCE.

2 (II) THIS SUBSECTION (6)(b) IS REPEALED, EFFECTIVE JULY 1, 2031.

3 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
4 ASSEMBLY, THE ENTERPRISE MAY EXPEND MONEY FROM THE BUILDING
5 DECARBONIZATION ENTERPRISE CASH FUND FOR THE PURPOSES SET FORTH
6 IN THIS SECTION AND TO PAY THE ENTERPRISE'S REASONABLE AND
7 NECESSARY OPERATING EXPENSES. THE STATE TREASURER SHALL CREDIT
8 ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT
9 OF MONEY IN THE BUILDING DECARBONIZATION FUND TO THE BUILDING
10 DECARBONIZATION FUND.

11 (d) ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING
12 IN THE BUILDING DECARBONIZATION FUND AT THE END OF A FISCAL YEAR
13 REMAINS IN THE BUILDING DECARBONIZATION FUND AND IS NOT CREDITED
14 OR TRANSFERRED TO THE GENERAL FUND.

15 **(7) Legislative review of building decarbonization enterprise.**
16 ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE ENTERPRISE SHALL
17 SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY DETAILING THE
18 ENTERPRISE'S EXPENDITURES AND PROGRAM OUTCOMES FROM THE
19 PRECEDING YEAR AND THE ENTERPRISE'S FINANCIAL PROJECTIONS FOR THE
20 FOLLOWING YEAR.

21 **(8) On-bill program administration cash fund - creation -**
22 **gifts, grants, and donations - repeal.** (a) THE ON-BILL PROGRAM
23 ADMINISTRATION CASH FUND IS CREATED IN THE STATE TREASURY. THE
24 ADMINISTRATION FUND CONSISTS OF:

25 (I) MONEY RECEIVED FROM AN ON-BILL PROGRAM
26 ADMINISTRATION FEE IMPOSED PURSUANT TO SUBSECTION (5)(c) OF THIS
27 SECTION;

1 (II) ANY MONEY THAT THE ENTERPRISE RECEIVES AS GIFTS,
2 GRANTS, AND DONATIONS IN SUPPORT OF SERVICES THAT THE ENTERPRISE
3 PROVIDES TO PARTICIPATING UTILITIES FOR ON-BILL PROGRAMS;

4 (III) ANY MONEY RECEIVED FROM THE ISSUANCE OF REVENUE
5 BONDS AS DESCRIBED IN SUBSECTION (3)(c)(II) OF THIS SECTION; AND

6 (IV) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
7 APPROPRIATE OR TRANSFER TO THE ADMINISTRATION FUND.

8 (b) (I) SECTION 24-77-108 DOES NOT APPLY TO THE ENTERPRISE
9 BECAUSE THE TOTAL AMOUNT OF MONEY CREDITED OR APPROPRIATED TO
10 THE ON-BILL PROGRAM ADMINISTRATION CASH FUND AND THE BUILDING
11 DECARBONIZATION ENTERPRISE CASH FUND SHALL NOT EXCEED ONE
12 HUNDRED MILLION DOLLARS IN THE FIRST FIVE YEARS OF THE ENTERPRISE'S
13 EXISTENCE.

14 (II) THIS SUBSECTION (8)(b) IS REPEALED, EFFECTIVE JULY 1, 2031.

15 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
16 ASSEMBLY, THE ENTERPRISE MAY EXPEND MONEY FROM THE ON-BILL
17 PROGRAM ADMINISTRATION CASH FUND FOR THE PURPOSES SET FORTH IN
18 THIS SECTION AND TO PAY THE ENTERPRISE'S REASONABLE AND
19 NECESSARY OPERATING EXPENSES. THE STATE TREASURER SHALL CREDIT
20 ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT
21 OF MONEY IN THE ON-BILL PROGRAM ADMINISTRATION CASH FUND TO THE
22 ON-BILL PROGRAM ADMINISTRATION FUND.

23 (d) ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING
24 IN THE ON-BILL PROGRAM ADMINISTRATION CASH FUND AT THE END OF A
25 FISCAL YEAR REMAINS IN THE ON-BILL PROGRAM ADMINISTRATION CASH
26 FUND AND IS NOT CREDITED OR TRANSFERRED TO THE GENERAL FUND.

27 **SECTION 5.** In Colorado Revised Statutes, add 24-36-125 as

1 follows:

2 **24-36-125. On-bill financing tax credits - authorization to**
3 **issue - terms - use of tax credits - carry over - on-bill financing fund**
4 **- creation - definitions - repeal. (1) Definitions.** AS USED IN THIS
5 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

6 (a) "APPLICABLE FORECAST" MEANS EITHER THE QUARTERLY
7 DECEMBER REVENUE FORECAST PREPARED BY LEGISLATIVE COUNCIL
8 STAFF OR THE QUARTERLY DECEMBER REVENUE FORECAST PREPARED BY
9 THE OFFICE OF STATE PLANNING AND BUDGETING IN THE DECEMBER
10 IMMEDIATELY PRECEDING THE APPLICABLE STATE FISCAL YEAR, AS
11 DETERMINED BY WHICH IMMEDIATELY PRECEDING MARCH FORECAST THE
12 JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY USED IN THE
13 PREPARATION OF THE STATE BUDGET.

14 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF THE TREASURY.

15 (c) "FORECAST" MEANS THE QUARTERLY JUNE REVENUE FORECAST
16 PREPARED BY THE OFFICE OF STATE PLANNING AND BUDGETING IN JUNE
17 2025.

18 (d) "NONEXEMPT REVENUE" MEANS, FOR THE APPLICABLE STATE
19 FISCAL YEAR, THE REVENUE THAT IS IDENTIFIED AS NONEXEMPT TABOR
20 REVENUES IN THE ANNUAL COMPREHENSIVE FINANCIAL REPORT PUBLISHED
21 BY THE OFFICE OF THE STATE CONTROLLER.

22 (e) "ON-BILL FINANCING FUND" MEANS THE ON-BILL FINANCING
23 FUND CREATED IN SUBSECTION (7) OF THIS SECTION.

24 (f) "ON-BILL FINANCING TAX CREDIT" OR "TAX CREDIT" MEANS THE
25 TAX CREDIT AUTHORIZED IN SUBSECTION (2) OF THIS SECTION.

26 (g) "PREMIUM TAX LIABILITY" MEANS THE LIABILITY IMPOSED BY
27 SECTION 10-3-209 OR 10-6-128 OR, IN THE CASE OF A REPEAL OR

1 REDUCTION BY THE STATE OF THE LIABILITY IMPOSED BY SECTION
2 10-3-209 OR 10-6-128, ANY OTHER PREMIUM TAX LIABILITY IMPOSED
3 UPON AN INSURANCE COMPANY BY THE STATE.

4 (h) (I) "QUALIFIED TAXPAYER" MEANS AN INSURANCE COMPANY
5 AUTHORIZED TO DO BUSINESS IN COLORADO THAT HAS PREMIUM TAX
6 LIABILITY OWING TO THE STATE AND THAT PURCHASES A TAX CREDIT
7 UNDER THIS SECTION.

8 (II) "QUALIFIED TAXPAYER" INCLUDES AN INSURANCE COMPANY
9 THAT RECEIVES OR ASSUMES A TAX CREDIT TRANSFER.

10 (i) "REF C CAP" MEANS THE LIMIT ON STATE FISCAL YEAR
11 SPENDING FROM SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION,
12 AS MODIFIED BY REFERENDUM C.

13 (j) "TABOR" MEANS SECTION 20 OF ARTICLE X OF THE STATE
14 CONSTITUTION.

15 (k) "TAX CREDIT SALE PROCEEDS" OR "SALE PROCEEDS" MEANS
16 THE MONEY OR OTHER LIQUID ASSET ACCEPTABLE TO THE STATE
17 TREASURER THAT A QUALIFIED TAXPAYER PAYS TO THE DEPARTMENT
18 THAT IS DEPOSITED IN THE ON-BILL FINANCING FUND.

19 (2) **On-bill financing tax credits.** (a) SUBJECT TO SUBSECTIONS
20 (2)(b) AND (2)(c) OF THIS SECTION, A QUALIFIED TAXPAYER MAY
21 PURCHASE ON-BILL FINANCING TAX CREDITS FROM THE DEPARTMENT IN
22 ACCORDANCE WITH THIS SECTION AND MAY APPLY THE TAX CREDITS
23 AGAINST THE QUALIFIED TAXPAYER'S PREMIUM TAX LIABILITY IN
24 ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION.

25 (b) IF THE FORECAST SHOWS THAT THE STATE'S NONEXEMPT
26 REVENUE FOR THE 2025-26 STATE FISCAL YEAR IS AT LEAST FIFTY MILLION
27 DOLLARS UNDER THE REF C CAP:

1 (I) THE DEPARTMENT IS REQUIRED TO ISSUE TAX CREDIT
2 CERTIFICATES TO QUALIFIED TAXPAYERS WITH TOTAL SALE PROCEEDS OF
3 AT LEAST TWENTY-FIVE MILLION DOLLARS IN STATE FISCAL YEAR 2025-26;
4 AND

5 (II) THE TAX CREDIT SALE PROCEEDS DEPOSITED INTO THE ON-BILL
6 FINANCING FUND PURSUANT TO SUBSECTION (5) OF THIS SECTION SHALL BE
7 USED TO FINANCE UTILITIES' ON-BILL PROGRAMS PURSUANT TO PART 6 OF
8 ARTICLE 38.5 OF THIS TITLE 24.

9 (c) IF THE APPLICABLE FORECAST SHOWS THAT THE STATE'S
10 NONEXEMPT REVENUE FOR THE 2026-27 STATE FISCAL YEAR IS AT LEAST
11 FIFTY MILLION DOLLARS UNDER THE REF C CAP:

12 (I) THE DEPARTMENT IS REQUIRED TO ISSUE TAX CREDIT
13 CERTIFICATES TO QUALIFIED TAXPAYERS WITH TOTAL SALE PROCEEDS OF
14 AT LEAST TWENTY-FIVE MILLION DOLLARS IN STATE FISCAL YEAR 2026-27;
15 AND

16 (II) THE TAX CREDIT SALE PROCEEDS DEPOSITED INTO THE ON-BILL
17 FINANCING FUND PURSUANT TO SUBSECTION (5) OF THIS SECTION SHALL BE
18 USED TO FINANCE UTILITIES' ON-BILL PROGRAMS PURSUANT TO PART 6 OF
19 ARTICLE 38.5 OF THIS TITLE 24.

20 (d) THE DEPARTMENT MAY CONTRACT WITH AN INDEPENDENT
21 THIRD PARTY TO CONDUCT OR CONSULT ON A BIDDING PROCESS AMONG
22 QUALIFIED TAXPAYERS TO PURCHASE THE TAX CREDITS.

23 (e) THE DEPARTMENT SHALL CONSULT WITH INSURANCE
24 COMPANIES IN ADVANCE OF ISSUING ANY TAX CREDITS IN ACCORDANCE
25 WITH THIS SECTION.

26 (f) AN INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN
27 COLORADO SEEKING TO PURCHASE TAX CREDITS MUST APPLY TO THE

1 DEPARTMENT IN THE MANNER PRESCRIBED BY THE DEPARTMENT.

2 (3) **Procedure for obtaining a tax credit certificate.** (a) USING
3 PROCEDURES ADOPTED BY THE DEPARTMENT OR, IF APPLICABLE, BY AN
4 INDEPENDENT THIRD PARTY, EACH INSURANCE COMPANY THAT SUBMITS
5 AN APPLICATION FOR ON-BILL FINANCING TAX CREDITS SHALL MAKE A
6 TIMELY AND IRREVOCABLE OFFER, CONTINGENT ONLY UPON THE
7 DEPARTMENT'S ISSUANCE TO THE INSURANCE COMPANY OF THE TAX
8 CREDIT CERTIFICATES, TO MAKE A SPECIFIED PURCHASE PAYMENT AMOUNT
9 TO THE DEPARTMENT ON DATES SPECIFIED BY THE DEPARTMENT.

10 (b) THE OFFER MUST INCLUDE ALL OF THE FOLLOWING:

11 (I) THE REQUESTED AMOUNT OF TAX CREDITS, WHICH AMOUNT
12 MUST NOT BE LESS THAN ANY MINIMUM AMOUNT ESTABLISHED IN THE
13 DEPARTMENT'S PROCEDURES OR, IF APPLICABLE, THE INDEPENDENT THIRD
14 PARTY'S PROCEDURES;

15 (II) THE QUALIFIED TAXPAYER'S PROPOSED TAX CREDIT PURCHASE
16 AMOUNT FOR EACH TAX CREDIT DOLLAR REQUESTED;

17 (III) THE MINIMUM PROPOSED TAX CREDIT PURCHASE AMOUNT
18 MUST BE EITHER:

19 (A) THE PERCENTAGE OF THE REQUESTED DOLLAR AMOUNT OF TAX
20 CREDITS THAT THE DEPARTMENT OR, IF APPLICABLE, THE INDEPENDENT
21 THIRD PARTY DETERMINES TO BE CONSISTENT WITH MARKET CONDITIONS
22 AS OF THE OFFER DATE; OR

23 (B) IF NO AMOUNT IS ESTABLISHED BY THE DEPARTMENT OR THE
24 INDEPENDENT THIRD PARTY PURSUANT TO SUBSECTION (3)(b)(III)(A) OF
25 THIS SECTION, SEVENTY-FIVE PERCENT OF THE REQUESTED DOLLAR
26 AMOUNT OF TAX CREDITS; AND

27 (IV) ANY OTHER INFORMATION THAT THE DEPARTMENT OR, IF

1 APPLICABLE, THE INDEPENDENT THIRD PARTY REQUIRES.

2 (c) THE DEPARTMENT SHALL PROVIDE WRITTEN NOTICE TO EACH
3 INSURANCE COMPANY THAT SUBMITS AN APPLICATION INDICATING
4 WHETHER THE INSURANCE COMPANY HAS BEEN APPROVED AS A
5 PURCHASER OF TAX CREDITS AND, IF SO, THE AMOUNT OF TAX CREDITS
6 ALLOCATED AND THE DATE BY WHICH PAYMENT OF THE TAX CREDIT SALE
7 PROCEEDS MUST BE MADE.

8 (d) ON RECEIPT OF PAYMENT OF THE SALE PROCEEDS, THE
9 DEPARTMENT SHALL ISSUE TO EACH QUALIFIED TAXPAYER A TAX CREDIT
10 CERTIFICATE. THE TAX CREDIT CERTIFICATE MUST STATE ALL OF THE
11 FOLLOWING:

12 (I) THE TOTAL AMOUNT OF PREMIUM TAX CREDITS THAT THE
13 QUALIFIED TAXPAYER MAY CLAIM;

14 (II) THE AMOUNT THAT THE QUALIFIED TAXPAYER HAS PAID OR
15 AGREED TO PAY IN RETURN FOR THE ISSUANCE OF THE TAX CREDIT
16 CERTIFICATES AND THE DATE OF THE PAYMENT;

17 (III) THE DATES ON WHICH THE TAX CREDITS WILL BE AVAILABLE
18 FOR USE BY THE QUALIFIED TAXPAYER;

19 (IV) ANY PENALTIES OR OTHER REMEDIES FOR NONCOMPLIANCE;

20 (V) THE PROCEDURES TO BE USED FOR TRANSFERRING OR
21 ASSUMING THE TAX CREDITS IN ACCORDANCE WITH SUBSECTION (6)(d) OF
22 THIS SECTION;

23 (VI) THE SERIAL NUMBER OF THE TAX CREDIT CERTIFICATE; AND

24 (VII) ANY OTHER REQUIREMENTS DEEMED NECESSARY BY THE
25 DEPARTMENT AS A CONDITION OF ISSUING THE TAX CREDIT CERTIFICATE.

26 (4) **Defaulted tax credits - reallocation process - penalty.**

27 (a) THE DEPARTMENT SHALL NOT ISSUE A TAX CREDIT CERTIFICATE TO A

1 QUALIFIED TAXPAYER THAT FAILS TO PROVIDE THE TAX CREDIT SALE
2 PROCEEDS WITHIN THE TIME THE DEPARTMENT SPECIFIES.

3 (b) A QUALIFIED TAXPAYER THAT FAILS TO PROVIDE THE TAX
4 CREDIT SALE PROCEEDS WITHIN THE TIME THE DEPARTMENT SPECIFIES IS
5 SUBJECT TO A PENALTY EQUAL TO TEN PERCENT OF THE AMOUNT OF THE
6 PURCHASE PRICE THAT REMAINS UNPAID. THE PENALTY SHALL BE PAID TO
7 THE DEPARTMENT WITHIN THIRTY DAYS AFTER DEMAND.

8 (c) THE DEPARTMENT MAY OFFER TO REALLOCATE THE DEFAULTED
9 TAX CREDITS AMONG OTHER QUALIFIED TAXPAYERS SO THAT THE RESULT
10 AFTER REALLOCATION IS THE SAME AS IF THE INITIAL ALLOCATION HAD
11 BEEN PERFORMED WITHOUT CONSIDERING THE TAX CREDIT ALLOCATION
12 TO THE DEFAULTING QUALIFIED TAXPAYER.

13 (d) IF THE REALLOCATION OF TAX CREDITS UNDER SUBSECTION
14 (4)(c) OF THIS SECTION RESULTS IN THE PAYMENT BY ANOTHER QUALIFIED
15 TAXPAYER OF THE AMOUNT OF TAX CREDIT SALE PROCEEDS NOT PAID BY
16 THE DEFAULTING QUALIFIED TAXPAYER, THE DEPARTMENT MAY WAIVE
17 THE PENALTY IMPOSED UNDER SUBSECTION (4)(b) OF THIS SECTION.

18 (e) A QUALIFIED TAXPAYER THAT FAILS TO PAY THE TAX CREDIT
19 SALE PROCEEDS WITHIN THE TIME SPECIFIED MAY AVOID THE IMPOSITION
20 OF THE PENALTY BY TRANSFERRING THE ALLOCATION OF TAX CREDITS TO
21 A NEW OR EXISTING QUALIFIED TAXPAYER WITHIN THIRTY DAYS AFTER THE
22 DUE DATE OF THE DEFAULTED INSTALLMENT. A TRANSFEREE OF AN
23 ALLOCATION OF TAX CREDITS OF A DEFAULTING QUALIFIED TAXPAYER
24 UNDER THIS SUBSECTION (4) SHALL AGREE TO PAY TAX CREDIT SALE
25 PROCEEDS WITHIN FIVE DAYS AFTER THE DATE OF THE TRANSFER.

26 (5) **Deposit of tax credit sale proceeds into fund.** THE STATE
27 TREASURER SHALL DEPOSIT THE TAX CREDIT SALE PROCEEDS PROVIDED BY

1 A QUALIFYING TAXPAYER IN RETURN FOR A TAX CREDIT CERTIFICATE INTO
2 THE ON-BILL FINANCING FUND.

3 **(6) Process for claiming tax credits - carry over authorized -**
4 **tax credits are nonrefundable - transfer and assumption of tax credit.**

5 (a) (I) FOR A TAX CREDIT CERTIFICATE THAT THE DEPARTMENT ISSUES IN
6 STATE FISCAL YEAR 2025-26, THE DEPARTMENT, IN CONSULTATION WITH
7 THE OFFICE OF STATE PLANNING AND BUDGETING, PRIOR TO THE SALE, MAY
8 DETERMINE THE CALENDAR YEARS IN WHICH THE QUALIFIED TAXPAYER
9 MAY CLAIM THEIR CREDIT AGAINST PREMIUM TAX LIABILITY.

10 (II) FOR A TAX CREDIT CERTIFICATE THAT THE DEPARTMENT
11 ISSUES IN STATE FISCAL YEAR 2026-27, THE DEPARTMENT, IN
12 CONSULTATION WITH THE OFFICE OF STATE PLANNING AND BUDGETING,
13 PRIOR TO THE SALE, MAY DETERMINE THE CALENDAR YEARS IN WHICH THE
14 QUALIFIED TAXPAYER MAY CLAIM THEIR CREDIT AGAINST PREMIUM TAX
15 LIABILITY.

16 (b) THE TOTAL CREDIT THAT A QUALIFIED TAXPAYER MAY APPLY
17 IN ANY ONE YEAR MUST NOT EXCEED THE PREMIUM TAX LIABILITY OF THE
18 QUALIFIED TAXPAYER FOR THE TAXABLE YEAR. IF THE QUALIFIED
19 TAXPAYER CANNOT USE THE ENTIRE AMOUNT OF THE TAX CREDIT FOR THE
20 TAXABLE YEAR IN WHICH THE TAXPAYER IS ELIGIBLE FOR THE TAX CREDIT,
21 THE EXCESS MAY BE CARRIED OVER TO SUCCEEDING TAXABLE YEARS AND
22 USED AS A CREDIT AGAINST THE PREMIUM TAX LIABILITY OF THE
23 TAXPAYER FOR THOSE TAXABLE YEARS; EXCEPT THAT THE CREDIT SHALL
24 NOT BE CARRIED OVER TO ANY TAXABLE YEAR THAT BEGINS AFTER
25 DECEMBER 31, 2035. ANY AMOUNT OF THE TAX CREDIT THAT IS NOT
26 TIMELY CLAIMED EXPIRES AND IS NOT REFUNDABLE.

27 (c) A QUALIFIED TAXPAYER CLAIMING A TAX CREDIT UNDER THIS

1 SECTION SHALL:

2 (I) SUBMIT THE TAX CREDIT CERTIFICATE ISSUED WITH THE
3 QUALIFIED TAXPAYER'S TAX RETURN; AND

4 (II) NOT BE REQUIRED TO PAY ANY ADDITIONAL OR RETALIATORY
5 TAX AS A RESULT OF CLAIMING THE TAX CREDIT.

6 (d) (I) IF A QUALIFIED TAXPAYER HOLDING AN UNCLAIMED TAX
7 CREDIT IS PART OF A MERGER, ACQUISITION, OR LINE OF BUSINESS
8 DIVESTITURE TRANSACTION, THE TAX CREDIT MAY BE TRANSFERRED TO
9 AND ASSUMED BY THE RESULTING ENTITY IF THE RESULTING ENTITY IS AN
10 INSURANCE COMPANY AUTHORIZED TO DO BUSINESS IN COLORADO AND
11 HAS PREMIUM TAX LIABILITY.

12 (II) THE QUALIFIED TAXPAYER THAT ORIGINALLY PURCHASED THE
13 TAX CREDIT AND THE RESULTING ENTITY SHALL NOTIFY THE DEPARTMENT
14 IN WRITING OF THE TRANSFER OR ASSUMPTION OF THE TAX CREDIT IN
15 ACCORDANCE WITH PROCEDURES ADOPTED BY THE DEPARTMENT. THE
16 DEPARTMENT SHALL PROVIDE A COPY OF THE NOTICE TO THE DIVISION OF
17 INSURANCE IN THE DEPARTMENT OF REGULATORY AGENCIES AND SHALL
18 MAINTAIN A RECORD OF THE TRANSFER OR ASSUMPTION OF THE TAX
19 CREDIT. THE TRANSFER OR ASSUMPTION OF THE TAX CREDIT DOES NOT
20 AFFECT THE TIME SCHEDULE FOR CLAIMING THE TAX CREDIT AS PROVIDED
21 IN THIS SECTION.

22 (7) **On-bill financing fund - creation.** THE ON-BILL FINANCING
23 FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF TAX
24 CREDIT SALE PROCEEDS RECEIVED FROM QUALIFIED TAXPAYERS AND
25 DEPOSITED INTO THE FUND PURSUANT TO SUBSECTION (5) OF THIS SECTION.
26 THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED
27 FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE ON-BILL FINANCE

1 FUND TO THE FUND.

2 (8) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2038.

3 **SECTION 6.** In Colorado Revised Statutes, 24-75-402, **amend**
4 (5)(jjj) and (5)(kkk); and **add** (5)(lll) as follows:

5 **24-75-402. Cash funds - limit on uncommitted reserves -**
6 **reduction in the amount of fees - exclusions - definitions.**

7 (5) Notwithstanding any provision of this section to the contrary, the
8 following cash funds are excluded from the limitations specified in this
9 section:

10 (jjj) The employee ownership cash fund created in section
11 39-22-542.5 (8); and

12 (kkk) The community revitalization tax credit program cash fund
13 created in section 39-22-569 (13); AND

14 (lll) THE ON-BILL FINANCING FUND CREATED IN SECTION 24-36-125
15 (7).

16 **SECTION 7. Appropriation.** (1) For the 2025-26 state fiscal
17 year, \$200,000 is appropriated to the office of the governor for use by the
18 Colorado energy office. This appropriation is from the on-bill program
19 administration cash fund created in section 24-38.5-123 (8)(a), C.R.S.,
20 and is based on an assumption that the office will require an additional
21 0.8 FTE. To implement this act, the office may use this appropriation for
22 on-bill program administration.

23 (2) For the 2025-26 state fiscal year, \$3,000,000 is appropriated
24 to the office of the governor for use by the Colorado energy office. This
25 appropriation is from the building decarbonization enterprise cash fund
26 created in section 24-38.5-123 (6)(a), C.R.S. To implement this act, the
27 office may use this appropriation for the building decarbonization

1 enterprise.

2 **SECTION 8. Effective date.** (1) Except as provided in
3 subsections (2) and (3) of this section, this act takes effect upon passage.

4 (2) Section 38-13-801 (2)(e), Colorado Revised Statutes, as
5 enacted in section 3 of this act, takes effect only if Senate Bill 25-290
6 does not become law.

7 (3) Subsection (2) of section 7 of this act takes effect only if
8 House Bill 25-1269 does not become law.

9 **SECTION 9. Safety clause.** The general assembly finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, or safety or for appropriations for
12 the support and maintenance of the departments of the state and state
13 institutions.