

JBC Staff Fiscal Analysis
Senate Appropriations Committee

Concerning the financing of a utility on-bill program for certain energy-related improvements, and, in connection therewith, making an appropriation.

Prime Sponsors:

Representatives Joseph; Froelich
Senators Mullica; Winter F.

Date Prepared:

April 30, 2025

JBC Analyst:

Mitch Burmeister
303-866-3147

Fiscal Impacts

Appropriation Already Added to Bill, No Amendment in Packet

New Cash Fund with Continuous Appropriation

Fiscal Note Status

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 04/25/25.

No Change: Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill.

The Senate Finance Committee Report (04/29/25) includes amendments to the bill. JBC Staff and Legislative Council Staff agree that the amendments do not change the fiscal impact of the bill.

Amendments in This Packet

None.

Current Appropriations Clause in Bill

The bill includes an appropriation clause that provides \$200,000 cash funds from the On-Bill Program Administration Cash Fund to the Colorado Energy Office for FY 2025-26. This appropriation reflects 0.8 FTE. The bill also includes an appropriation clause that provides \$3,000,000 cash funds from the Building Decarbonization Enterprise Cash Fund to the Colorado Energy Office for FY 2025-26.

Points to Consider

Technical Issue

Portions of this bill are contingent on the passage of H.B. 25-1269 (Building Decarbonization Measures). If H.B.25-1269 is signed into law, there is a contingency provision in this bill that will negate the \$3,000,000 cash funds appropriation to the Building Decarbonization Enterprise Cash Fund included in the bill.

Legislative Authority

Continuous spending authority, also known as **continuous appropriation**, allows state agencies to spend money for statutorily specified purposes up to the total amount available in a specified fund source without seeking further legislative approval through the budget process.

The term *appropriation* is broadly understood as expressing or conveying legal spending authority. However, the term *appropriation* also inherently expresses fundamental legislative fiscal authority by communicating a *limit* on or maximum amount of spending from a specified fund source for a defined period such as a fiscal year. While continuous spending authority also expresses or conveys legal spending authority it does so by eliminating legislative fiscal authority and oversight.

An annual appropriation provides a limit on spending authority, while a continuous appropriation provides unlimited spending authority. This method of funding moves these expenditures off-budget, and thus expenditures are not reported or accounted for through the budget process.

Is it necessary for the Colorado Energy Office to **not** seek annual authority from the General Assembly to spend money from the On-Bill Cash Fund?

Unclaimed Property Trust Fund Loans

The bill requires a loan from the Unclaimed Property Trust Fund (UPTF) of \$25.0 million in FY 2025-26 and \$25.0 million in FY 2026-27. The UPTF is not considered fiscal year spending for purposes of Section 20 of Article X of the State Constitution (TABOR).

TABOR defines fiscal year spending as “all district expenditures and reserve increases except, as to both, those for refunds made in the current or next fiscal year or those from gifts, federal funds, collections for another government, pension contributions by employees and pension fund earnings, reserve transfers or expenditures, damage awards, or property sales.” (Section 20 (2)(e) of Article X of the Constitution of Colorado)

Does a loan from the Unclaimed Property Trust Fund to a Department of the State constitute fiscal year spending under TABOR?

Does a loan from the UPTF constitute a multi-year financial obligation for the State?

Should the legislation identify a source of loan repayment?